

CITY OF OAK PARK, MICHIGAN

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE YEAR ENDING

JUNE 30, 2008

SUBMITTED TO THE

2008 CITY COUNCIL

Gerald E. Naftaly, Mayor

Willie Horton, Mayor Pro Tem

Angela Diggs Jackson, Councilmember

Paul Levine, Councilmember

Michael M. Seligson, Councilmember

Prepared By:

The Department of Finance and
Administrative Services



“The Family City”

**Fiscal Year July 1, 2007
through June 30, 2008**

**Comprehensive Annual
Financial Report**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF OAK PARK

"The Family City"

James Ghedotte

Director of Finance and Administrative Services

Mayor

Gerald E. Naftaly

Mayor Pro Tem

Willie Horton

Councilmember

Angela Diggs Jackson

Paul Levine

Michael M. Seligson

December 17, 2008

To the Honorable Mayor, members of the City Council, City Manager, and the Citizens of the City of Oak Park:

The comprehensive annual financial report (CAFR) of the City of Oak Park for the year ended June 30, 2008, is hereby submitted as mandated by the City Charter, Section 9.8, and State Statute, Public Act 101. The City Charter and state statute require that the City of Oak Park issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Post, Smythe, Lutz and Ziel of Plymouth LLP, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Oak Park. All disclosures necessary to enable the reader to gain an understanding of the City of Oak Park activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City of Oak Park's principal appointed officials. The Basic Financial Statements section includes the entity-wide financial statements, fund financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The required supplemental section includes management's discussion and analysis and information on the pension plan. Other supplementary information includes combining and individual fund financial statements. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City of Oak Park's MD&A can be found immediately following the report of the independent auditor.

The Reporting Entity and Services Provided

The City of Oak Park has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City of Oak Park includes all the funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Mayor and City Council. Based on these criteria, the Municipal Building Authority, Brownfield Redevelopment Authority, and the Economic Development Corporation have been included in this report.

The City of Oak Park provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; planning and zoning; library services; recreational activities and cultural events. In addition, water and sewer services are provided under an Enterprise Fund concept, with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

Local Economy and Governmental Structure

The City of Oak Park is located near the southeast corner of Oakland County, Southeast Michigan, and approximately 3.5 miles from Macomb County and adjacent to the northern boundary of the City of Detroit. The City contains approximately 5.5 square miles with a population of 32,399 persons as reported by the U.S. Bureau of Census for 2000 and amended in 2004.

The City operates under the Council-Manager form of government as established in its Charter adopted October 29, 1945. The City Council is comprised of a Mayor, elected at-large every two years, and four Councilmembers, two elected at-large every four years. The City Council is responsible for enacting ordinances, resolutions and regulations governing the City. City Council also appoints the members of various statutory and advisory boards and commissions, the City Manager, and the City Attorney. The City Manager is responsible for enforcement of laws and ordinances established by City Council. The City Manager also appoints and supervises the heads of departments of the City organization.

The City of Oak Park has grown over the years to a point where only one percent of it's total land area is vacant. Although most of the growth occurring in Oakland County is taking place to the west and north, the I-696 freeway, which runs through Oak Park, provides a corridor of opportunity for redevelopment and enhancement of existing development.

There is no question the next fiscal year will be challenging as revenue is reduced and expenses increase. It will be management's goal to maintain high quality services during economic uncertainty. The City has adopted prudent financial policies, which will help guide us through the upcoming years. The City has a strong property tax base and management believes it can meet the challenges confronting us in the near future.

Major Initiatives

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in Fiscal Year 2007-2008:

- 1) The City's sewage is handled by the Twelve Towns Drain system. Storm water and sewage enter the City's sewers, which is carried to the Twelve Towns treatment facility and released into Lake St. Clair. Pollution in Lake St. Clair has led the Michigan Department of Environmental Quality to issue violations, which will require improvements to the facility. It is estimated that these improvements will cost \$130 million of which \$17.3 million will be the City's share. These improvements will cost every user of the system in Oak Park \$5.65 to \$8.00 per month. This will have a significant impact on the citizen's water and sewer bills as the improvements will have to be paid by increased charges. The City will continue to work with the Southeastern Oakland County Sewage Disposal District to clear up any violations and to embark on a plan that will not only benefit the environment but keep costs within a reasonable range.

- 2) The City adopted a FY 2008-2009 General Fund Budget with plans to add \$6,094 to unreserved fund balance, after using \$139,033 of fund balance in FY 2007-2008. The slowdown in the economy and the expected increases in expenditures for health insurance and pension costs will seriously affect future budgets.
- 3) Several residential parcels that formally belonged to the Department of Housing and Urban Development have been offered to the City for \$1.00. The City plans on taking these properties with the intention of returning them to the tax rolls.

Financial Information

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Long-term Financial Planning

The City Council has adopted the following financial policies to guide the process for long-term financial decisions. 1) Debt Management Policy – provides guidelines for borrowing money to finance projects. 2) Cash Management Policy – provides guidelines for the day-to-day handling of cash and investments. 3) Capital Improvement Policy – sets capitalization thresholds and parameters for capital asset purchases. 4) Investment Policy – provides guidelines for investment of the City's liquid assets.

A large parcel of property owned by the State of Michigan, which formerly housed the Eight Mile Armory, has stood vacant for many years. The State has sold this parcel for commercial development. This project will stimulate development in this area and provide additional tax dollars to fund future development.

As the City faces a slower economy additional funding sources will have to be found to fund large capital projects. This may include additional taxes, which can only be raised by a vote of the people. Other sources of revenue may include grants or raising fees. These challenges will be met using the financial policies above.

Federal Financial Assistance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City is not required to have a Single Audit in FY 2007-2008 to test these controls because it received less than \$500,000 (\$125,365) in federal assistance as required by the Federal Office of Management and Budget (OMB) Circular 133.

Budgeting Controls

In accordance with state law, the City's budget is prepared on the modified accrual basis for governmental type funds, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. Governmental fund types, such as the City's General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds are reported on the modified accrual basis. The City's Enterprise Fund, Internal Service Funds and Pension Trust Fund are reported on the full accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the General Fund, Special Revenue Funds and certain Debt Service Funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. However, any encumbrances outstanding at June 30, 2008, are reported as reservations of fund balances.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash Management

It is the policy of the City of Oak Park to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City and conforming to all State statutes and local ordinances governing the investment of public funds.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposits and mutual funds investing in obligations of the U.S. government. The City earned interest revenue of \$740,671 on all investments (excluding the City of Oak Park Employees Retirement Fund) for the year ended June 30, 2008.

Risk Management

The City supplies workers compensation insurance through the Michigan Municipal Worker's Compensation Fund. The City experienced an average amount of claims as evidenced by an experience modification factor of 1.66, for July 1, 2006 to June 30, 2007.

General liability and property damage insurance coverage is purchased from the Michigan Municipal Liability and Property Pool. Major policies and their limits of coverage include: public officials and public safety officers liability (\$10 million), vehicle liability (\$1 million), Employee Dishonesty (\$500,000), City Treasurer (\$200,000), Deputy Treasurer (\$200,000), City Clerk (\$100,000), District Judges (\$100,000) and City Magistrate (\$20,000).

Awards and Acknowledgements

A Certificate of Achievement for Excellence in Financial Reporting was received for the City's Comprehensive Annual Financial Report from the Government Finance Officers Association (GFOA) for the Fiscal Year July 1, 2006 through June 30, 2007. This award has been received for fourteen consecutive years.

A Distinguished Budget Presentation Award was received from the GFOA for the Fiscal Year 2008-2009 budget document. This award has been received for fourteen consecutive years.

An award for Outstanding Achievement in Popular Annual Financial Reporting was received from the GFOA for the Fiscal Year 2006-2007. This award has been received for five consecutive years and made Oak Park one of five governments in Michigan to receive the three financial reporting awards offered by the GFOA.

The preparation of the comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Department of Finance and Administrative Services, Department of Technical and Planning Services and our independent auditors, Post, Smythe, Lutz and Ziel of Plymouth LLP, Certified Public Accountants. Each of them has our sincere thanks.

In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Sincerely

James Ghedotte
Director of Finance and Administrative Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oak Park
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

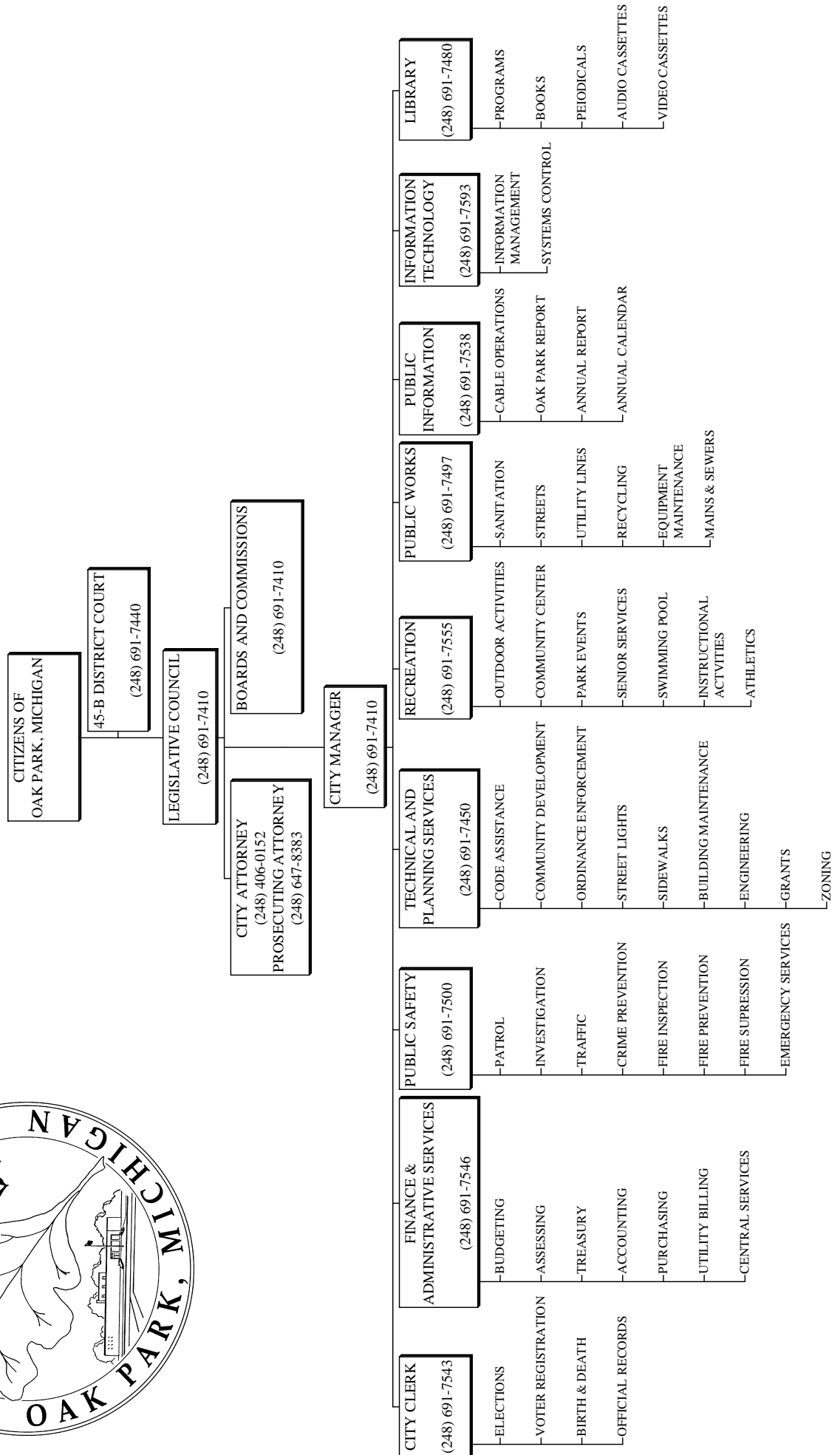
President

Jeffrey R. Emer

Executive Director



City of Oak Park



**CITY OF OAK PARK
2008
PRINCIPAL OFFICIALS**

<u>TITLE</u>	<u>NAME OF OFFICIAL</u>
City Manager	Vacant
Assistant City Manager	Roy Srini
City Clerk	Sandra Gadd
Director of Finance and Administrative Services	James Ghedotte
City Attorney	John Carlson
Library Director	John Martin
Director of Public Information	Melvyn Newman
Director of Technical and Planning Services	Kevin Rulkowski
Director of Public Works/City Engineer	Kevin Yee
Director of Public Safety	John M. McNeilance
Director of Recreation	Roy Vultaggio
Director of Information Technology	Jeffrey Schefke
Deputy City Clerk	Angela Y. Brunke
Deputy Treasurer	Kathleen Lindroth
Deputy Finance Director	Saundra Crawford
City Assessor	M. Dean Bush
Water Supervisor	Eugene Czewski
General Foreman	Ronald Clinton
General Foreman	Gary Shermetaro
Deputy Director of DPW	Rocco Fortura
Deputy Director of Recreation	Scott Pratt
Senior Services Coordinator	Lynn Davey

POST, SMYTHE, LUTZ and ZIEL

of Plymouth LLP
Certified Public Accountants

PLYMOUTH

1034 WEST ANN ARBOR TRAIL
P.O. BOX 5520
PLYMOUTH, MI 48170-1502

TELEPHONE (734) 453-8770
FAX (734) 453-0312

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Rana M. Emmons, C.P.A.

Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.

BLOOMFIELD HILLS

3707 WEST MAPLE ROAD
SUITE 101
BLOOMFIELD HILLS, MI 48301-3212

TELEPHONE (248) 644-9125
FAX (248) 593-1986

Independent Auditor's Report

December 17, 2008

To the Honorable Mayor and
Members of the City Council
City of Oak Park
Oakland County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oak Park's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the defined benefit pension plans trend information, as listed in the table of contents on pages 15 through 27 and page 83, are not a required part of the basic financial statements but are supplementary information

To the Honorable Mayor and
Members of the City Council
City of Oak Park, Michigan

required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on them.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oak Park, Michigan's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables, as listed in the table of contents, have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully,

A handwritten signature in black ink that reads "Post, Smythe, Lutz + Ziel of Plymouth". The signature is written in a cursive, flowing style.

Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants



CITY OF OAK PARK

"The Family City"

James Ghedotte

Director of Finance and Administrative Services

Mayor

Gerald E. Naftaly

Mayor Pro Tem

Willie Horton

Councilmember

Angela Diggs Jackson

Paul Levine

Michael M. Seligson

MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Oak Park's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The City's net assets increased as a result of this year's operations. Net assets of our business-type activities increased by \$1,099,035, or 7.58 percent; net assets of our governmental activities decreased by \$274,520, or 1.40 percent.
- During the year, the City had revenues in Governmental Funds that were \$4.540 million less than the \$33.52 million in expenditures.
- In the City's business-type activities, revenues were \$9.160 million while expenses were \$8.062 million.
- Total cost of all of the City's programs was \$37.048 million.
- The General Fund reported negative net change in fund balance of \$139,033.
- The resources available for appropriation were \$403,691 more than budgeted in the General Fund. Expenditures were \$268,204 less than budgeted. The General Fund used \$139,033 of fund balance instead of using \$810,928 as projected in the final budget.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are for governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins with the Statement of Net Assets. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities**—Most of the City's basic services are reported here, including public safety, public works, recreation, and general administration. Property taxes, franchise fees, and state grants finance most of these activities.
- **Business-type activities**—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.
- **Component units**—The City includes two separate legal entities in its report—the Economic Development Corporation and the Brownfield Authority. Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 17. The fund financial statements begin on page 31 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the Municipal Building Construction Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds—governmental and proprietary—use different accounting approaches.

- **Governmental funds**—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

- **Proprietary funds**—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the

Statement of Activities. In fact, the City’s enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities—such as the City’s Motor Pool Fund.

The City as Trustee

Reporting the City’s Fiduciary Responsibilities

The City is the trustee, or fiduciary, for its employees’ pension plan. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. All of the City’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 41 and 42. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

The City’s combined net assets were increased from a year ago— from \$34.1 million to \$35.0 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City’s governmental and business-type activities.

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business- type Activities		Total Primary Government	
	2007	2008	2007	2008	2007	2008
Current and other assets	\$17,552,058	\$12,729,268	\$4,256,392	\$3,773,731	\$21,808,450	\$16,502,999
Capital Assets	<u>33,850,013</u>	<u>37,544,781</u>	<u>27,132,640</u>	<u>27,943,462</u>	<u>60,982,653</u>	<u>65,488,243</u>
Total Assets	<u>51,402,071</u>	<u>50,274,049</u>	<u>31,389,032</u>	<u>31,717,193</u>	<u>\$82,791,103</u>	<u>\$81,991,242</u>
Long-term debt outstanding	27,475,000	25,805,000	16,091,554	15,219,483	43,566,554	41,024,483
Other liabilities	<u>4,307,915</u>	<u>5,124,413</u>	<u>789,295</u>	<u>890,493</u>	<u>5,097,210</u>	<u>6,014,905</u>
Total Liabilities	31,782,915	30,929,413	16,880,849	16,109,975	48,663,764	47,039,388
Net Assets:						
Invested in capital assets, net of debt	6,375,013	11,739,781	11,041,086	12,723,979	17,416,099	24,463,760
Restricted	9,519,782	5,140,968	0	0	9,519,782	5,140,968
Unrestricted	<u>3,724,361</u>	<u>2,463,887</u>	<u>3,467,097</u>	<u>2,883,239</u>	<u>7,191,458</u>	<u>5,347,126</u>
Total Net Assets	<u>\$19,619,156</u>	<u>\$19,344,636</u>	<u>\$14,508,183</u>	<u>\$15,607,218</u>	<u>\$34,127,339</u>	<u>\$34,951,854</u>

Net assets of the City’s governmental activities decreased by 1.40 percent, \$19.34 million compared to \$19.62 million. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from \$3.7 million at June 30, 2007 to \$2.5 million at the end of this year. The majority of the decline can be attributed to a reduction in net assets of \$249,243 in Internal Service Funds. Charges to other funds were not enough to cover expenditures.

Governmental net asset decreases can be found on the Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities and Footnote 9.

The net assets of our business-type activities increased by 7.58 percent (\$15.61 million compared to \$14.51 million in 2007). This increase was due to revenues exceeding expenses. This trend is expected to change as the City begins replacing its infrastructure (water and sewer mains).

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business- type Activities		Total Primary Government	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
Revenues						
Program Revenues:						
Charges for Services	\$4,415,293	\$3,871,216	\$9,034,465	\$8,991,930	\$13,449,758	\$12,843,345
Federal Grants	160,365	125,420	0	0	160,365	125,420
State Grants	1,889,484	1,692,374	0	0	1,889,484	1,692,374
Other	31,066	0	0	0	31,066	0
General Revenues:						
Property Taxes	20,977,326	21,890,823	0	0	20,977,326	21,890,823
Other Taxes	518,234	560,384	0	0	518,234	560,384
Other general revenue	0	0	0	19,801	0	19,801
Investment Earnings	<u>1,073,459</u>	<u>621,956</u>	<u>167,869</u>	<u>118,715</u>	<u>1,241,328</u>	<u>740,671</u>
Total Revenues	<u>29,065,227</u>	<u>28,762,173</u>	<u>9,202,334</u>	<u>9,110,645</u>	<u>38,267,561</u>	<u>37,872,818</u>
Program Expenses:						
General Government	5,067,647	5,415,064	0	0	5,067,647	5,415,064
Judicial	2,268,921	2,457,418	0	0	2,268,921	2,457,418
Public Safety	11,089,786	10,772,176	0	0	11,089,786	10,772,176
Road Maintenance	2,708,853	3,117,566	0	0	2,708,853	3,117,566
Public Works	1,096,676	1,591,527	0	0	1,096,676	1,591,527
Health & Sanitation	2,186,048	1,993,747	0	0	2,186,048	1,993,747
Culture & Recreation	1,268,706	1,329,227	0	0	1,268,706	1,329,227
Library	836,669	858,674	0	0	836,669	858,674
Community Development	299,539	334,654	0	0	299,539	334,654
Interest on Long-term Debt	1,148,474	1,116,640	494,477	463,129	1,642,951	1,579,769
Water & Sewer	<u>0</u>	<u>0</u>	<u>7,340,684</u>	<u>7,598,481</u>	<u>7,340,684</u>	<u>7,598,481</u>
Total Expenses	<u>27,971,319</u>	<u>28,986,693</u>	<u>7,835,161</u>	<u>8,061,610</u>	<u>35,806,480</u>	<u>37,048,303</u>
Excess (shortage) before Transfers	1,093,908	(224,520)	1,367,173	1,049,035	2,461,081	824,515
Transfers	<u>(50,000)</u>	<u>(50,000)</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	<u>\$1,043,908</u>	<u>\$(274,520)</u>	<u>\$ 1,417,173</u>	<u>\$ 1,099,035</u>	<u>\$2,461,081</u>	<u>\$824,515</u>

The City's total revenue for all programs and services decreased by 1.03 percent (\$394,743). The total cost of all programs and services was increased 3.47 percent (\$1,241,823).

Governmental Activities

Revenues for the City's governmental activities decreased by 1.04 percent (\$303,054), while total expenses increased 3.63 percent (\$1,015,374).

Table 3 presents the cost of each of the City's six largest programs—judicial, public safety, road maintenance, public works, health & sanitation, and recreation—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Governmental Activities
(In Thousands)

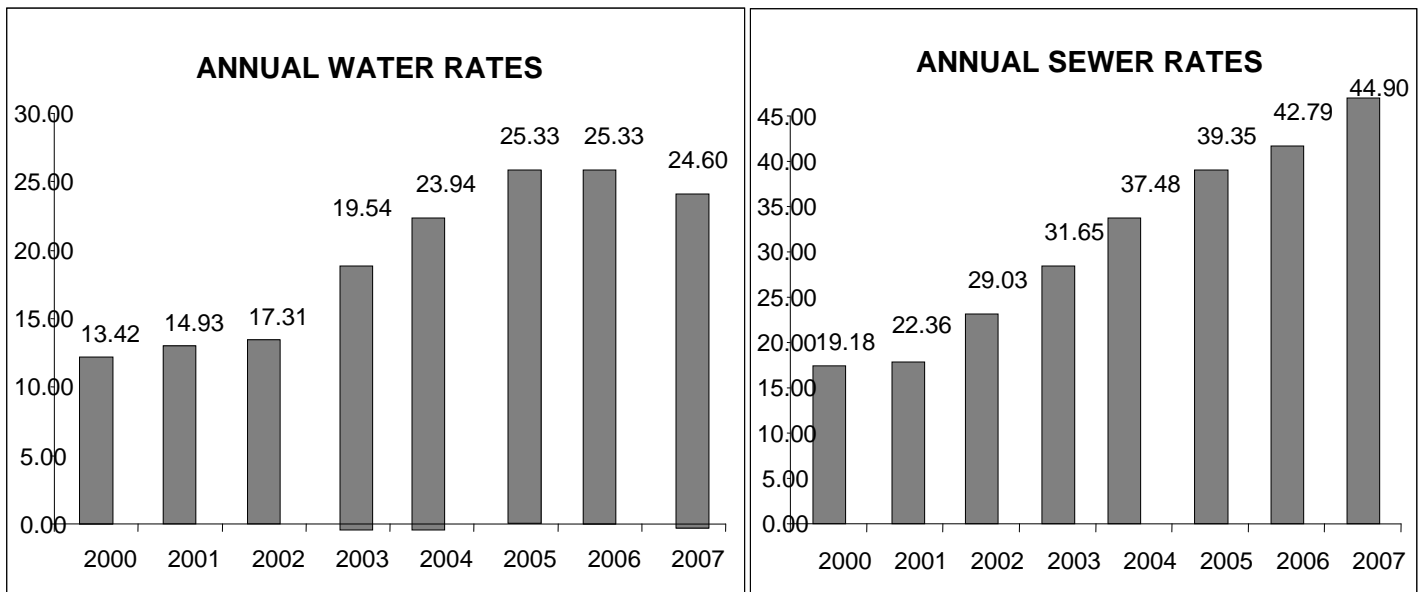
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>		
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
Judicial	\$ 2,268,921	\$ 2,457,418	\$ (1,493,803)	\$ (1,631,895)
Public Safety	11,089,786	10,772,176	(9,218,472)	(9,361,391)
Road Maintenance & Repair	2,708,853	3,117,566	(1,006,253)	(1,639,974)
Public Works	1,096,676	1,591,527	(877,002)	(1,447,182)
Health & Sanitation	2,186,048	1,993,747	(1,608,428)	(1,428,257)
Recreation	1,268,706	1,329,227	(799,333)	(864,856)
All others	6,203,855	6,608,392	(5,323,346)	(5,807,488)
Interest on long-term debt	<u>1,148,474</u>	<u>1,116,640</u>	<u>(1,148,474)</u>	<u>(1,116,640)</u>
Totals	\$ 27,971,319	\$ 28,986,693	(\$ 21,475,111)	(\$ 23,297,683)

Business-type Activities

The City has one business-type activity: the water and sewer system. Revenues of the City's Water and Sewer Fund (see Table 2) decreased by 1.00 percent (\$9.2 million in FY 2006-2007 compared to \$9.1 million in FY 2007-2008) and expenses increased by 2.89 percent (\$7.835 million in FY 2006-2007 compared to \$8.062 million in FY 2007-2008). The City experienced a net income of \$1,099,035 in its Water and Sewer Fund. This was a decrease from FY 2006-2007 income of \$1,417,173. The factors driving these results include:

The City's water and sewer system is old and aging. The City has posted a net income in each of the last five fiscal years, which has led to the general overall health of this fund. It is expected that infrastructure improvements in the near future will be funded from reserves. Continuing improvements in the water and sewer system should provide its users with quality services.

Water rates decreased from \$25.33 to \$24.60 per 1,000 cubic feet in FY 2007-2008. Sewer rates increased from \$42.79 to \$44.90 per 1,000 cubic feet. A recent history of the City's water and sewer rates follows:



THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 27) reported a combined fund balance of \$8.321 million, which is below last year's total of \$12.861 million. Included in this year's total change in fund balance is a decrease of \$139,033 in the City's General Fund. In addition, these other changes in fund balances should be noted:

The City increase in property tax revenue was 5.41% in the General Fund (\$12.475 million in FY 2006-2007 and \$13.151 million in FY 2007-2008). State shared revenue increased in the General Fund by 4.98 percent (\$203,122). The State of Michigan collects sales tax and redistributes a portion of these collections to local jurisdictions. The City received increased amounts because of the City annexed property increasing its population which is used in the revenue sharing formula.

The City spent \$4,599,383 in the last fiscal year in the Road Construction Fund which contributed to the decrease in fund balance.

The City borrowed \$11.5 million in FY 2002-2003 and \$11,000,000 in FY 2005-2006 for the reconstruction of roads that was placed in a Capital Projects Fund. This is a six-year construction program that began three years ago. An amount of \$4.081 million remains in the Road Construction fund balance. The City's fund balance changed in many of its governmental funds due to several factors:

The City's Major Street Fund decreased fund balance \$64,173. This occurred because of \$222,914 expended for the reconstruction of two of the city's off street parking lots.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved as projects and contracts were competitively bid and come in higher than originally budgeted. The second included Council approved increases in appropriations when the FY 2008-2009 budget was passed. These appropriations were to adjust the original budget when departments submitted estimated year-end figures

that exceeded current budgeted amounts. Finally, the budget was amended at the last City Council meeting of the Fiscal Year to prevent budget overruns.

The actual charges to appropriations (expenditures) were \$268,204 less than the final budget amounts in the General Fund although two departments exceeded their budget. One variance was with the City Prosecuting Attorney Department (\$2,162). The other variance is in Non-Departmental (\$411,609), which was over budget due to unanticipated costs of retiree's health care.

Resources available for appropriation were \$403,691 above the final budgeted amount. Franchise Fees were \$98 thousand above budget accounting for the majority of this variance.

General Fund Revenue. The following paragraphs analyze the activities of the City's major funds. General Fund revenues totaled \$21,234,415, an increase of 2.38 percent from the prior year. Revenues by source were as follows:

General Fund Revenue:

<u>Revenue</u>	<u>FY 2006-2007 Amount</u>	<u>FY 2007-2008 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease) from FY 2006-2007</u>
Property Taxes	\$ 12,474,863	\$ 13,150,522	61.93%	\$675,659	5.42%
Licenses & Permits	397,567	332,852	1.57	(64,715)	(16.28)
Charges for Services	524,131	550,232	2.59	26,101	4.98
Fines and Forfeits	2,074,737	1,791,798	8.44	(282,939)	(13.64)
Intergovernmental	4,076,155	4,279,277	20.15	203,122	4.98
Interest Income	304,905	281,072	1.32	(23,833)	(7.82)
Miscellaneous	<u>887,421</u>	<u>848,662</u>	<u>4.00</u>	<u>(38,759)</u>	<u>(4.37)</u>
Totals	<u>\$20,739,779</u>	<u>\$21,234,415</u>	<u>100%</u>	<u>\$494,636</u>	<u>2.38</u>

Ad Valorem taxes provide the City's primary source of revenue. Current collections remain high at 89.98 percent, and the City's total tax rate of 23.7288 per \$1,000 of taxable value is at the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act.

Taxable values in the City raised an average of 4.67%, led by an increase of 5.33% in Residential Real Property values. Property tax revenue was limited to an increase of 3.70%. The tax rate for operating purposes decreased slightly from 16.3613 mills in Fiscal Year 2006 – 2007 to 16.3563 in Fiscal Year 2007 - 2008.

Licenses and permits decreased by 16.28%. The number of building permits decreased by 92 permits and the total value of new construction was \$8.52 million in FY 2007 - 2008. This is an indication of investments made by individuals in their personal residence returning to a normal level after a record low year in FY 2002-2003.

Charges for Services increased 4.98% indicating higher usage of recreation programs in FY 2007 – 2008.

Ordinance Fines levied by the 45-B District Court account for a decrease of 13.64% in Fines and Forfeits. The decrease is due to fewer tickets issued by the Department of Public Safety.

Intergovernmental Revenues increased 4.98%. The City received increased amounts because the City annexed property increasing its population which is used in the revenue sharing formula.

Interest income decreased 7.82%, which is attributable to short term interest rates decreasing from the prior year.

Miscellaneous Income decreased 4.37% or \$38,759 in FY 2007 - 2008.

General Fund Expenditures. General Fund expenditures were \$19,719,026, an increase of 3.01 percent from the preceding year. Broken down by major function, expenditures were as follows:

<u>Expenditure</u>	<u>FY 2006-2007 Amount</u>	<u>FY 2007-2008 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
General Government	\$4,346,347	\$4,493,384	22.78%	\$147,037	3.38%
Public Safety	10,412,971	9,504,732	48.20	(908,239)	(8.72)
Public Works	779,445	887,688	4.50	108,243	13.89
Recreation	1,155,419	1,117,615	5.67	(37,804)	(3.27)
Library	775,018	727,765	3.69	(47,253)	(6.10)
Capital Outlay	23,521	17,516	.09	(6,005)	(25.53)
Other Non-departmental	<u>1,649,228</u>	<u>2,970,326</u>	<u>15.06</u>	<u>1,321,098</u>	<u>80.10</u>
Totals	<u>\$19,141,949</u>	<u>\$19,719,026</u>	<u>100%</u>	<u>\$577,077</u>	<u>3.01%</u>

General Fund expenditures increased \$577,077 or 3.01%.

General Government expenditures increased \$147,037 in FY 2007-2008. The increase is due to an increase in the Technical and Planning Department expenditures due to less wages and benefits charged to the Road Construction Fund. The General Fund absorbed the wages formally charged to the Road Construction Fund.

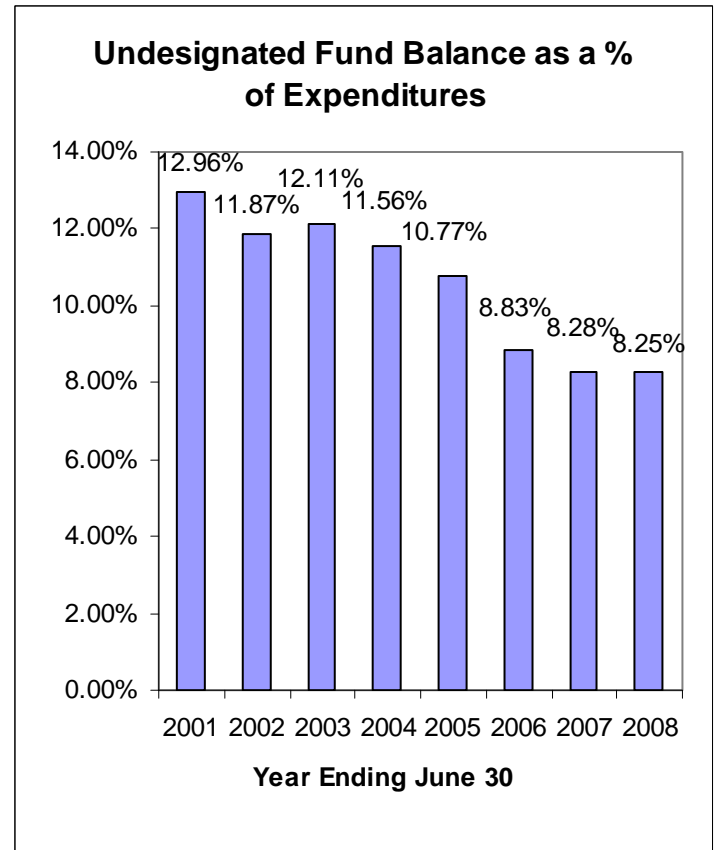
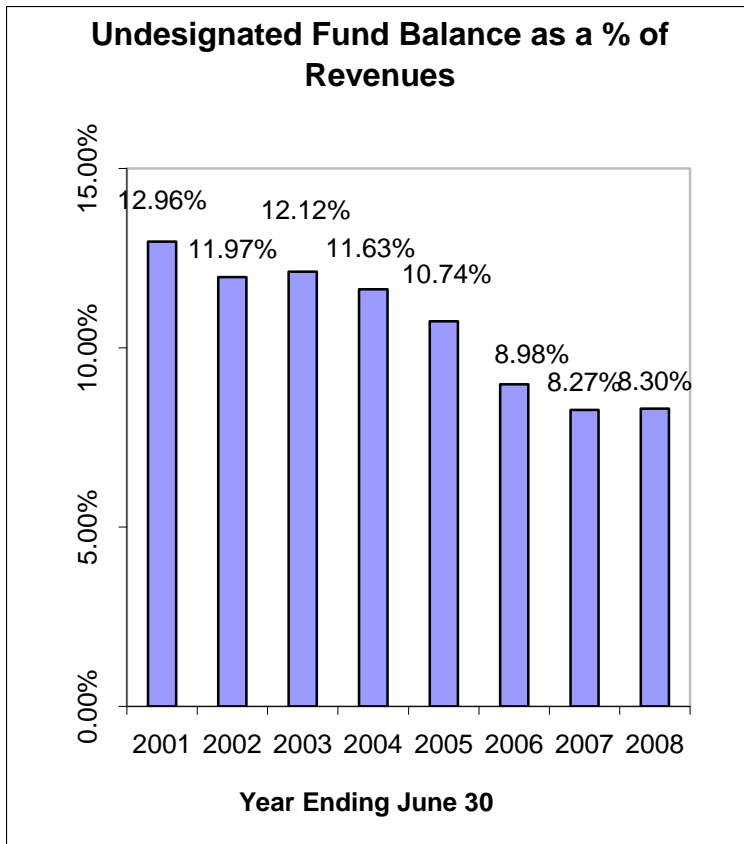
The Public Safety Department decreased \$908,239 or 8.72%. Decreases in fringe benefits (\$1,029,461) are due mainly to the retirement contribution for public safety worker's wages decreasing from 51.19% in FY 2006-2007 to 32.02% in FY 2007-2008.

The Public Works Department increased \$108,243, or 13.89%. This increase was due to not charging salaries and fringe benefits to other funds. The DPW employees worked less on projects that were charged to the Street Improvement Fund resulting in their costs charged to the General Fund.

The Recreation Department decreased \$37,804, or 3.27%. The department realigned its personnel to include one less full time employee resulting in a reduction of salary and fringe benefit costs.

Other Non-Departmental expenditures increased \$1,321,098 due to the change in health benefits for retirees. The City charged half of retiree's health care to retirement system in past years. The entire amount is now charged to Non-departmental in the General Fund.

General Fund Balance. General Fund Balance at June 30, 2008 was decreased by 6.82 percent or \$139,033 from June 30, 2007. The unreserved-available for appropriation portion of fund balance increased by \$49,051 for a total of \$1,784,828, which provides the City with 30.11 days of expenditures, and is equivalent to 8.25 percent of annual expenditures. Our goal is to maintain this percentage at 8.33 to 16.67 percent (one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Undesignated Fund Balance can be graphically demonstrated as follows:



Special Revenue Funds. Special Revenue Funds account for revenue from specific revenue sources which are legally restricted for specified purposes. The City operates 11 separate special revenue funds as follows: (1) The Major Street Fund is used to finance the maintenance and construction of the City's major thorough-fares. (2) The Local Street Fund is used to finance the maintenance and construction of the City's minor thorough-fares. (3) The Narcotic Forfeiture Fund is used for the accounting of funds forfeited in drug arrests. (4) The Criminal Justice Training Fund is used for training in the Public Safety Department and is financed by fines levied at the District Court. (5) The Disaster Contingency Fund was established in prior years for the accounting and financing of natural disasters occurring within the City limits. (6) The Community Development Block Grant Fund is financed by grants received from the federal government and is restricted for use by the economically disadvantaged citizens of the City. (7) The Project Impact Program is used to provide innovative strategies to reduce domestic violence. (8) The P.U.S.H. Program was established to account for grants received to counsel "at risk" youths. (9) The Solid Waste Fund is used to finance the collection, recycling and disposal of the City's garbage and refuse. It is funded by a tax levy and collection fee on property. (10) The Caseflow Assistance Fund is used to fund a portion of the cost of processing drunk drivers. (11) The District Court 45-B Fund is financed by a General Fund transfer-in and its uses are restricted to the operations of the District Court 45-B.

Capital Project Funds. The City had expenditures in four Capital Project Funds: Sidewalk Program, City Owned Property, Municipal Building Construction and Road Construction Fund.

The Sidewalk Program Fund had a fund balance at June 30, 2008 of \$71,384. This fund is used for the construction of sidewalks, which are billed to the property owner.

The City Owned Property Fund had a deficit fund balance of \$65,900 at June 30, 2008. This fund is used for expenditures made on tax reverted property. The City took possession of one property to return it to the tax rolls by selling or transferring the property to private ownership. This fund will relieve the deficit in FY 2008-2009 when that property is sold.

The Road Construction had a fund balance at June 30, 2008 of \$4,080,908. This fund received \$11.5 million in FY 2002-2003 and \$11 million in FY 2005-2006 from proceeds of the sale of bonds. It is anticipated that the roads will be completed in two years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, the City had \$65.5 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and water and sewer lines. (See Table 4 below.)

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business- type Activities		Total Primary Government	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
Land	\$ 1,503,145	\$ 1,503,145	\$ 11,502	\$ 11,502	\$1,514,647	\$1,514,647
Rights-of-way	600,818	600,818	0	0	600,818	600,818
Infrastructure - roads	19,062,582	18,142,655	0	0	19,062,582	18,142,655
Infrastructure – sidewalks	1,939,463	1,761,264	0	0	1,939,463	1,761,264
Infrastructure – water & sewer system	0	0	10,073,061	10,458,154	10,073,061	10,458,154
Buildings	587,653	547,539	29,106	25,428	616,759	572,967
Public Improvements	1,827,771	1,754,570	0	0	1,827,771	1,754,570
Library collection	101,660	65,342	0	0	101,660	65,342
Equipment - General	126,988	207,105	136,668	180,262	263,656	387,367
Equipment – Motor Pool	1,298,259	1,692,018	0	0	1,298,259	1,692,018
Work in Progress	<u>6,801,674</u>	<u>11,270,325</u>	<u>16,882,303</u>	<u>17,268,116</u>	<u>23,683,977</u>	<u>28,538,441</u>
Totals	<u>\$33,850,013</u>	<u>\$37,544,781</u>	<u>\$27,132,640</u>	<u>\$27,943,462</u>	<u>\$60,982,653</u>	<u>\$65,488,243</u>

This year's major additions included:

American LaFrance Fire Engine	\$ 573,760
Reconstruct Municipal Parking Lots – 11 Mile	85,345
Reconstruct Municipal Parking Lots – 8-10 Mile	88,583

Probation Trailer
Shelter #3 in Shepherd Park

118,119
17,516

The City's Fiscal Year 2008-2009 capital budget calls for it to spend another \$3,372,869 for capital projects, principally for the continuation of its road reconstruction program, improvements to the city parks, acquisition of replacement vehicles, and replacement water mains. The City has no plans to issue additional debt to finance these projects. Rather, we will use current reserves to finance these projects. More detailed information about the City's capital assets is presented in Notes 1, 6 and 7 to the financial statements.

Debt

Under current State Statutes, the City's net debt may not exceed 10% of the total assessed value of real and personal property as certified by the City Assessor. The City's net debt of \$25,161,839 (See Schedule 12 in Statistical Section) is 2.77% of assessed value, and provides a legal debt margin of \$65,683,087. Net bonded debt per capita equaled \$776.62.

The long-term debt obligations of the City consist of general obligation bonds outstanding of \$25,805,000.

The general obligation bonds are being retired with revenues from a millage levied on all personal and real property in the City. The City levied 3.9280 mills per \$1,000 of state taxable value in Fiscal Year 2007-2008 for the retirement of debt. At year-end, the City had \$41,024,483 in bonds outstanding versus \$43,566,554 last year—a decrease of 5.83 percent—as shown in Table 5.

Table 5
Outstanding Debt, at Year-end

	Governmental Activities		Business- type Activities		Totals	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
General Obligation Bonds (backed by the City)	\$27,475,000	\$25,805,000	\$ -0-	\$ -0-	\$27,475,000	\$25,805,000
Revenue Bonds (backed by specific fee revenues)	<u>-0-</u>	<u>-0-</u>	<u>16,091,554</u>	<u>15,219,483</u>	<u>16,091,554</u>	<u>15,219,483</u>
Totals	<u>\$27,475,000</u>	<u>\$25,805,000</u>	<u>\$16,091,554</u>	<u>\$15,219,483</u>	<u>\$43,566,554</u>	<u>\$41,024,483</u>

The City received approval from the voters in November of 2002 to borrow \$22.5 million for the repair of roads and municipal parking lots. The City sold \$11.5 million in General Obligation Bonds on May 1, 2003. and \$11 million in May of 2006.

At June 30, 2008 the 2003 Street Improvement Bond Fund, the 2003 Street Refunding Bond Fund and the 2006 Street Improvement Bond Fund were the only outstanding GO bonds. These bonds are paid by a tax levied on all taxpayers separate from operating millage. A mill represents 1 dollar paid for every \$1,000 of taxable value of real and personal property. The city's debt service levy in FY 2007-2008 was 3.9280 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May of 2028.

On June 30, 2003 the City had \$3.175 million of outstanding debt from the 1992 Refunding Revenue Bonds. In March of 2004 these bonds were redeemed to take advantage of favorable interest rates. The 2004

Refunding Revenue Bonds in the amount of \$2.945 million were issued to replace these bonds. These revenue bonds had an outstanding balance of \$1.760 million on June 30, 2008.

The City belongs to a consortium of cities known as the Twelve Towns Drain District. This district was formed to collect and treat sewage and storm water for 14 communities. In 1998 the Michigan Department of Environmental Quality ordered the district to upgrade its retention facility and decrease its excess flows into Lake St. Clair. The total estimated cost of these improvements is \$130 million, of which the City of Oak Park is responsible for 13.48%. This project began in FY 2000-2001.

The District is borrowing funds through construction draw downs to complete this project. As of June 30, 2008 the City is obligated to pay \$13,459,483. Due to the nature of draw downs the exact obligation will be unknown until the project is complete or no other draw downs are made. Payments on these obligations continue until 2024, ranging from \$ 12,128 to \$1,002,560. The City will increase sewer rates to pay this debt.

The City's general obligation Moody's Investor Service underlying bond rating continues to be A3 with outstanding debt having the highest rating due to bond insurance purchased at the time of issuance. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this \$90.84 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 17 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Oak Park (population 32,399) is primarily a residential community located in southeastern Oakland County, Michigan. The City's proximity to the downtown Detroit metropolitan area and several major roadways, including Interstate Highway 696, have helped spur considerable residential redevelopment. The local tax base has exhibited growth averaging 5.25% per year from fiscal 2003-2004 to a current market value of \$1.9 billion; despite developmental restrictions (only 1% of total City land area is vacant). Some commercial and light industrial property development is also expected over the next few years. Income levels, as measured by per capita effective buying income, are on par with both state and national levels. Unemployment is 10.0% in September 2008.

In FY 2007-2008, the general fund posted a decrease in fund balance of \$139,033. The current unreserved fund balance of \$1.784 million is 8.25% of expenditures. Management's fiscal policy is to maintain reserves between 8%-16% of annual expenditures. The City, which relies heavily on property taxes (61.93% of total revenue), is operating at the state-authorized tax rate limit. The City adopted a budget for FY 2008-2009 with a planned increase of fund balance of \$6,094.

Overall net general bonded debt is moderate, at \$777 per capita and 2.77% of assessed value.

The City's elected and appointed officials considered many factors when setting the Fiscal Year 2008-2009 budget including, tax rates, and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 10.0 percent versus 7.9 percent a year ago. This compares with the State's unemployment rate of 9.3 percent and the national rate of 6.5 percent.

The metropolitan area has experienced a drop in the Consumer Price Index (CPI) which indicates falling prices. The Detroit areas CPI increase was -2.0 percent for 2008 compared with the average U.S. city with population less than 50,000 rate of -2.2 percent and the national rate of -1.0 percent.

These indicators were taken into account when adopting the General Fund budget for Fiscal Year 2008-2009. The FY 2008-2009 budget was adopted in May of 2008 during the economic downturn that is affecting municipalities throughout the state. Amounts available for appropriation in the General Fund budget are \$20.68 million, a decrease of 2.26 percent over the final FY 2007-2008 amount of \$21.2 million. Property tax revenue are budgeted to not increase. Other revenue sources are expected to increase slightly or remain flat. Budgeted expenditures are expected to decrease 1.38 percent, to \$20.7 million from \$20.9 million in FY 2007-2008. The City has added no major new programs or initiatives to the FY 2007-2008 budget.

As for the City's Water & Sewer Fund, we expect that the FY 2008-2009 to be a year in which service is improved because of two ongoing programs:

The installation of radio read meters will be in its final year of a five-year program. These radio reads will allow our meter readers to read meters from a remote location without having to approach every user of water.

The televising of the City's sewers will allow us to develop a preventative program to improve our infrastructure in the most needed areas before a breakdown occurs.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Administrative Services' Office, at the City of Oak Park, 13600 Oak Park Blvd., Oak Park, MI, 48237.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Primary Government</u>			<u>Component</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Units</u>
	<u>Activities</u>	<u>Activities</u>		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 6,045,159	\$ 442,026	\$ 6,487,185	\$ 11,781
Restricted cash and cash equivalents	93,800	-	93,800	-
Investments	3,094,851	217,086	3,311,937	-
Receivables (net)	3,268,994	3,106,522	6,375,516	-
Prepaid expenses	226,464	8,097	234,561	-
Total current assets	12,729,268	3,773,731	16,502,999	11,781
Noncurrent assets:				
Capital assets, net of depreciation (note 6)	24,170,493	10,663,844	34,834,337	-
Land	1,503,145	11,502	1,514,647	-
Rights-of-way	600,818	-	600,818	-
Work in progress	11,270,325	17,268,116	28,538,441	-
Total noncurrent assets	37,544,781	27,943,462	65,488,243	-
Total assets	\$ 50,274,049	\$ 31,717,193	\$ 81,991,242	\$ 11,781
LIABILITIES				
Current liabilities:				
Accounts payable, accrued and other liabilities	\$ 2,567,026	\$ 842,270	\$ 3,409,296	\$ 205
Unearned revenue	303,320	-	303,320	-
Current portion of accumulated compensated absences	30,723	12,952	43,675	-
Current portion of long-term obligations (Note 17)	1,695,000	1,042,435	2,737,435	-
Total current liabilities	4,596,069	1,897,657	6,493,726	205
Noncurrent liabilities:				
Accumulated compensated absences	2,223,344	35,270	2,258,614	-
Noncurrent portion of long-term obligations (Note 17)	24,110,000	14,177,048	38,287,048	-
Total liabilities	30,929,413	16,109,975	47,039,388	205
NET ASSETS				
Invested in capital assets, net of related debt	11,739,781	12,723,979	24,463,760	-
Restricted for:				
Capital projects	4,497,807	-	4,497,807	-
Debt service	643,161	-	643,161	-
Unrestricted	2,463,887	2,883,239	5,347,126	11,576
Total net assets	19,344,636	15,607,218	34,951,854	11,576
Total liabilities and net assets	\$ 50,274,049	\$ 31,717,193	\$ 81,991,242	\$ 11,781

The notes to the financial statements are an integral part of this statement.

**CITY OF OAK PARK, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Primary Government Business-type Activities	Total	Component Units	
Primary Government										
Governmental Activities:										
General government	\$ 5,415,064	\$ 582,978	\$ -	\$ -	\$ -	(4,832,086)	\$ -	(4,832,086)	\$ -	
Judicial	2,457,418	704,560	120,963	-	-	(1,631,895)	-	(1,631,895)	-	
Public safety	10,772,176	1,395,297	15,488	-	-	(9,361,391)	-	(9,361,391)	-	
Road maintenance and repair	3,117,566	-	1,477,592	-	-	(1,639,974)	-	(1,639,974)	-	
Public works	1,591,527	144,345	-	-	-	(1,447,182)	-	(1,447,182)	-	
Health and sanitation	1,993,747	565,490	-	-	-	(1,428,257)	-	(1,428,257)	-	
Culture and recreation	1,329,227	464,371	-	-	-	(864,856)	-	(864,856)	-	
Library	858,674	14,175	78,332	-	-	(766,167)	-	(766,167)	-	
Community development	334,654	-	125,419	-	-	(209,235)	-	(209,235)	-	(94,620)
Interest on long-term debt	1,116,640	-	-	-	-	(1,116,640)	-	(1,116,640)	-	
Total governmental activities	28,986,693	3,871,216	1,817,794	-	-	(23,297,683)	-	(23,297,683)	-	(94,620)
Business-type Activities:										
Water and sewer	8,061,610	8,972,129	-	-	-	-	910,519	910,519	-	
Total primary government	\$ 37,048,303	\$ 12,843,345	\$ 1,817,794	\$ -	\$ -	(23,297,683)	910,519	(22,387,164)	-	(94,620)
General revenues:										
Taxes:										
Property taxes, levied for general purposes						19,045,885	-	19,045,885	99,263	
Property taxes, levied for debt services						2,844,938	-	2,844,938	-	
Franchise taxes						560,384	-	560,384	-	
Investment earnings						621,956	118,715	740,671	9	
Gain on sale of capital assets						-	19,801	19,801	-	
Transfers						(50,000)	50,000	-	-	
Total general revenues and transfers						23,023,163	188,516	23,211,679	99,272	
Change in net assets						(274,520)	1,099,035	824,515	4,652	
Net assets-beginning						19,619,156	14,508,183	34,127,339	6,924	
Net assets-ending						19,344,636	15,607,218	34,951,854	11,576	

The notes to the financial statements are an integral part of this statement.

**CITY OF OAK PARK, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	GENERAL	MAJOR STREET	SOLID WASTE	ROAD CONSTRUCTION	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>						
Cash and cash equivalents	\$ 1,119,736	\$ 467,420	\$ 102,086	\$ 2,732,231	\$ 1,099,341	\$ 5,520,814
Investments	548,462	229,765	50,182	1,343,055	340,548	2,512,012
Receivables:						
Taxes	548,662	-	52,068	-	83,452	684,182
Customers, billed	159,211	61,383	188,960	1,247,269	55,319	1,712,142
Special assessments	-	-	-	-	28,746	28,746
Accrued interest	5,561	1,868	436	13,274	2,423	23,562
Due from other governmental units	-	-	-	-	38,555	38,555
Due from State	785,763	92,276	-	-	36,233	914,272
Due from other funds	97,472	-	-	-	-	97,472
Restricted assets:						
Cash and cash equivalents	-	-	-	-	93,800	93,800
Prepaid expenditures	114,609	1,008	1,459	454	17,938	135,468
<u>TOTAL ASSETS</u>	\$ 3,379,476	\$ 853,720	\$ 395,191	\$ 5,336,283	\$ 1,796,355	\$ 11,761,025
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES						
Accounts payable	\$ 447,607	\$ 22,067	\$ 126,073	\$ 1,254,121	\$ 135,256	\$ 1,985,124
Accounts payable from restricted assets	-	-	-	-	93,800	93,800
Accrued and other liabilities	270,063	3,997	6,116	1,254	57,192	338,622
Due to other funds	-	-	-	-	97,472	97,472
Deferred revenue	762,369	61,383	37,659	-	63,587	924,998
TOTAL LIABILITIES	1,480,039	87,447	169,848	1,255,375	447,307	3,440,016
FUND BALANCES						
Reserved for:						
Debt service	-	-	-	-	643,161	643,161
Capital projects	-	-	-	4,080,454	416,899	4,497,353
Prepaid expenditures	114,609	1,008	1,459	454	17,938	135,468
Unreserved, reported in:						
General Fund	1,784,828	-	-	-	-	1,784,828
Special Revenue Funds	-	765,265	223,884	-	271,050	1,260,199
TOTAL FUND BALANCES	1,899,437	766,273	225,343	4,080,908	1,349,048	8,321,009
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 3,379,476	\$ 853,720	\$ 395,191	\$ 5,336,283	\$ 1,796,355	\$ 11,761,025

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET and
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Modified Accrual Basis					Reconciling Items			Full Accrual Basis	
	TOTAL	CAPITAL	COMPENSATED	DEFERRED	ELIMINATE	INTERNAL				
	GOVERNMENTAL	ASSETS & LONG	ABSENCES	REVENUES	INTERFUND	SERVICE				
	FUNDS	TERM DEBT			RECEIVABLES	FUNDS			TOTAL	
<u>ASSETS</u>										
Cash and cash equivalents	\$ 5,520,814	\$ -	\$ -	\$ -	\$ -	\$ 524,345	\$		6,045,159	
Investments	2,512,012	-	-	-	-	582,839			3,094,851	
Receivables:										
Taxes	684,182	-	-	-	-	-			684,182	
Customers, billed	1,712,142	-	-	(134,702)	-	-			1,577,440	
Special assessments	28,746	-	-	-	-	-			28,746	
Accrued interest	23,562	-	-	-	-	2,237			25,799	
Due from other governmental units	38,555	-	-	-	-	-			38,555	
Due from State	914,272	-	-	-	-	-			914,272	
Due from other funds	97,472	-	-	-	(97,472)	-			-	
Prepaid expenditures	135,468	-	-	-	-	90,996			226,464	
Total Current Assets	11,667,225	-	-	(134,702)	(97,472)	1,200,417			12,635,468	
Restricted assets:										
Cash and cash equivalents	93,800	-	-	-	-	-			93,800	
Capital Assets:										
Land	-	1,503,145	-	-	-	-			1,503,145	
Rights-of-way	-	600,818	-	-	-	-			600,818	
Work in progress	-	11,270,325	-	-	-	-			11,270,325	
Infrastructure - roads, net	-	18,142,655	-	-	-	-			18,142,655	
Infrastructure - sidewalks, net	-	1,761,264	-	-	-	-			1,761,264	
Depreciable buildings, net	-	547,539	-	-	-	-			547,539	
Depreciable public improvements, net	-	1,754,570	-	-	-	-			1,754,570	
Library Collection	-	65,342	-	-	-	-			65,342	
Equipment, net	-	207,105	-	-	-	-			207,105	
Equipment, net - Motor Pool	-	-	-	-	-	1,692,018			1,692,018	
Equipment, net - Central Services	-	-	-	-	-	-			-	
Total Non-current assets	93,800	35,852,763	-	-	-	1,692,018			37,638,581	
<u>TOTAL ASSETS</u>	\$ 11,761,025	\$ 35,852,763	\$ -	\$ (134,702)	\$ (97,472)	\$ 2,892,435	\$		\$ 50,274,049	
<u>LIABILITIES AND FUND BALANCES</u>										
LIABILITIES										
Accounts payable	\$ 1,985,124	\$ -	\$ -	\$ -	\$ -	\$ 47,921	\$		2,033,045	
Accounts payable from restricted assets	93,800	-	-	-	-	-			93,800	
Accrued and other liabilities	338,622	-	-	-	-	101,559			440,181	
Due to other funds	97,472	-	-	-	(97,472)	-			-	
Bonds payable - current	-	1,695,000	-	-	-	-			1,695,000	
Deferred revenue	924,998	-	-	(621,678)	-	-			303,320	
Accumulated compensated absences	-	-	2,254,067	-	-	-			2,254,067	
Bonds payable - net of current portion and bond discount	-	24,110,000	-	-	-	-			24,110,000	
TOTAL LIABILITIES	3,440,016	25,805,000	2,254,067	(621,678)	(97,472)	149,480			30,929,413	
FUND BALANCES										
Reserved for:										
Debt service	643,161	-	-	-	-	-			643,161	
Capital projects	4,497,353	-	-	-	-	-			4,497,353	
Self insurance payable	-	-	-	-	-	128,600			128,600	
Retiree Health Care	-	-	-	-	-	554,905			554,905	
Prepaid expenditures	135,468	-	-	-	-	-			135,468	
Unreserved Fund Balance	3,045,027	10,047,763	(2,254,067)	486,976	-	2,059,450			13,385,149	
TOTAL FUND BALANCES/NET ASSETS	8,321,009	10,047,763	(2,254,067)	486,976	-	2,742,955			19,344,636	
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 11,761,025	\$ 35,852,763	\$ -	\$ (134,702)	\$ (97,472)	\$ 2,892,435	\$		\$ 50,274,049	

The notes to the financial statements are an integral part of this statement (See Note 8 on page 63-65).

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	GENERAL	MAJOR STREET	SOLID WASTE	ROAD CONSTRUCTION	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property taxes	\$ 13,150,522	\$ -	\$ 1,772,192	\$ -	\$ 2,844,937	\$ 17,767,651
Special assessments	-	67,872	-	-	70,423	138,295
Licenses and permits	332,852	-	-	-	-	332,852
Intergovernmental revenue:						
Federal grants	-	-	-	-	125,365	125,365
State grants	4,279,277	1,025,396	-	-	510,558	5,815,231
Other grants	-	-	-	-	26,738	26,738
Charges for services	550,232	-	547,635	-	198,852	1,296,719
Fines and forfeitures	1,791,798	-	-	-	191,358	1,983,156
Interest	281,072	27,672	28,189	224,119	130,738	691,790
Other	848,662	-	-	-	-	848,662
TOTAL REVENUES	21,234,415	1,120,940	2,348,016	224,119	4,098,969	29,026,459
EXPENDITURES						
Current:						
Judicial	-	-	-	-	2,227,873	2,227,873
General government	4,493,384	-	-	-	-	4,493,384
Public safety	9,504,732	-	-	-	31,376	9,536,108
Road maintenance and repair	-	705,850	-	3,684	705,628	1,415,162
Public works	887,688	-	1,952,377	-	23,468	2,863,533
Recreation and culture	1,117,615	-	-	-	-	1,117,615
Library	727,765	-	-	-	-	727,765
Community enrichment and development	-	-	-	-	200,159	200,159
Other non-departmental	2,970,326	-	-	-	-	2,970,326
Debt service:						
Principal	-	-	-	-	1,670,000	1,670,000
Interest	-	-	-	-	1,116,121	1,116,121
Prior year tax refunds	-	-	-	-	519	519
Capital outlay and construction	17,516	222,914	-	4,819,818	118,119	5,178,367
TOTAL EXPENDITURES	19,719,026	928,764	1,952,377	4,823,502	6,093,263	33,516,932
REVENUES OVER (UNDER) EXPENDITURES	1,515,389	192,176	395,639	(4,599,383)	(1,994,294)	(4,490,473)
OTHER FINANCING SOURCES (USES)						
Transfers in	260,000	-	-	-	2,170,771	2,430,771
Transfers (out)	(1,914,422)	(256,349)	(310,000)	-	-	(2,480,771)
TOTAL OTHER FINANCING SOURCES (USES)	(1,654,422)	(256,349)	(310,000)	-	2,170,771	(50,000)
NET CHANGE IN FUND BALANCES	(139,033)	(64,173)	85,639	(4,599,383)	176,477	(4,540,473)
FUND BALANCES , BEGINNING OF YEAR	2,038,470	830,446	139,704	8,680,291	1,172,571	12,861,482
FUND BALANCES , END OF YEAR	\$ 1,899,437	\$ 766,273	\$ 225,343	\$ 4,080,908	\$ 1,349,048	\$ 8,321,009

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, and
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds	\$ (4,540,473)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,304,765
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Capital Assets not fully depreciated that are retired create a loss not recognized in Governmental Funds.	(2,100)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Long-term debt for capital assets is a reduction of net assets however, a reduction of the debt increases net assets. This is the amount of principal paid on long-term debt.	1,670,000
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Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues (mainly delinquent personal property tax) recognized as revenue in the statement of activities is presented here.	(268,536)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The amount of expenditures for accumulated compensated absences is reported here.	(188,933)
---	-----------

Internal Service funds are used by management to charge the costs of certain activities, such as insurance, motor pool, central services, and retirees health care, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(249,243)
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Change in net assets of governmental activities	<u>\$ (274,520)</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 2,006,387	\$ 2,038,470	\$ 2,038,470	\$ -
Resources (inflows):				
Taxes, Penalties & Interest	13,170,846	13,077,674	13,150,522	72,848
Licenses & Permits	367,851	332,525	332,852	327
State Grants	4,222,102	4,196,170	4,279,277	83,107
Interest Income	230,000	212,000	281,072	69,072
Service Charges	509,142	513,775	550,232	36,457
Contributions - Other Funds	735,000	260,000	260,000	-
Fines and Forfeits	2,061,603	1,810,500	1,791,798	(18,702)
Miscellaneous Income	672,780	688,080	848,662	160,582
Amounts available for appropriation	<u>23,975,711</u>	<u>23,129,194</u>	<u>23,532,885</u>	<u>403,691</u>
Charges to appropriation (outflows):				
General government:				
City Council	108,226	109,144	109,050	94
City Manager	561,470	564,220	560,198	4,022
Information Technology	193,428	193,428	177,716	15,712
City Attorney	120,230	250,240	231,615	18,625
Prosecuting Attorney	103,102	103,102	105,264	(2,162)
City Clerk	466,949	511,949	460,004	51,945
Finance & Administrative Services	899,561	929,297	626,734	302,563
Public Information	348,140	349,340	325,653	23,687
Technical and Planning Services	2,360,475	2,310,375	2,222,803	87,572
Public Safety	9,320,245	9,510,735	9,504,732	6,003
Public Works	880,288	941,960	887,688	54,272
Recreation	1,191,065	1,162,658	1,117,615	45,043
Library	780,636	780,636	745,281	35,355
Nondepartmental	2,090,923	2,233,064	2,644,673	(411,609)
Transfers Out	2,319,891	1,951,504	1,914,422	37,082
Total Charges To Appropriations	<u>21,744,629</u>	<u>21,901,652</u>	<u>21,633,448</u>	<u>268,204</u>
Budgetary fund balance, June 30	<u>\$ 2,231,082</u>	<u>\$ 1,227,542</u>	<u>\$ 1,899,437</u>	<u>\$ 671,895</u>

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - MAJOR STREET FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 1,212,267	\$ 830,446	\$ 830,446	\$ -
Resources (inflows):				
State Grants - Streets	1,200,000	1,200,000	1,025,396	(174,604)
Special Assessments	15,400	61,455	67,872	6,417
Interest Income & Other	30,000	30,000	27,672	(2,328)
Amounts available for appropriation	<u>2,457,667</u>	<u>2,121,901</u>	<u>1,951,386</u>	<u>(170,515)</u>
Charges to appropriation (outflows):				
Road Maintenance & Repair	557,762	578,750	705,850	(127,100)
Capital Outlay - Roads	902,000	809,535	222,914	586,621
Transfers Out	300,000	300,000	256,349	43,651
Total Charges To Appropriations	<u>1,759,762</u>	<u>1,688,285</u>	<u>1,185,113</u>	<u>503,172</u>
Budgetary fund balance, June 30	<u>\$ 697,905</u>	<u>\$ 433,616</u>	<u>\$ 766,273</u>	<u>\$ 332,657</u>

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - SOLID WASTE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ 218,938	\$ 139,704	\$ 139,704	\$ -
Resources (inflows):				
Property Taxes	1,775,870	1,775,870	1,772,192	(3,678)
Miscellaneous Fees	611,000	611,000	547,635	(63,365)
Interest Income	<u>20,000</u>	<u>20,000</u>	<u>28,189</u>	<u>8,189</u>
Amounts available for appropriation	<u>2,625,808</u>	<u>2,546,574</u>	<u>2,487,720</u>	<u>(58,854)</u>
Charges to appropriation (outflows):				
Public Works - Sanitation	2,023,532	2,065,800	1,952,377	113,423
Transfers Out	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>
Total Charges To Appropriations	<u>2,333,532</u>	<u>2,375,800</u>	<u>2,262,377</u>	<u>113,423</u>
Budgetary fund balance, June 30	<u>\$ 292,276</u>	<u>\$ 170,774</u>	<u>\$ 225,343</u>	<u>\$ 54,569</u>

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 442,026	\$ 524,345
Investments	217,086	582,839
Receivables (net)	2,938,259	2,237
Due from other units of government	168,263	-
Prepaid expenses	8,097	90,996
	<hr/>	<hr/>
Total current assets	3,773,731	1,200,417
Noncurrent assets:		
Depreciable Net Assets	<hr/> 27,943,462	<hr/> 1,692,018
	<hr/>	<hr/>
Total assets	<u>\$ 31,717,193</u>	<u>\$ 2,892,435</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 715,082	\$ 47,921
Current portion of accumulated compensated absences	6,447	-
Accrued and other liabilities	127,188	101,559
Current portion of long-term obligations (Note 16)	1,042,435	-
Total current liabilities	<hr/> 1,891,152	<hr/> 149,480
Noncurrent liabilities:		
Accumulated Compensated Absences	41,775	-
Noncurrent portion of long-term obligations (Note 16)	14,177,048	-
Total noncurrent liabilities	<hr/> 14,218,823	<hr/>
Total liabilities	<hr/> 16,109,975	<hr/> 149,480
NET ASSETS		
Invested in capital assets, net of related debt	12,723,979	1,692,018
Unrestricted	<hr/> 2,883,239	<hr/> 1,050,937
Total net assets	<hr/> 15,607,218	<hr/> 2,742,955
Total liabilities and net assets	<u>\$ 31,717,193</u>	<u>\$ 2,892,435</u>

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENSES, and CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for services	\$ 8,934,671	\$ 1,573,041
Fines and forfeitures	-	129,493
Miscellaneous	37,458	41,031
Total operating revenues	<u>8,972,129</u>	<u>1,743,565</u>
Operating expenses:		
Gas purchases	-	193,977
Professional services	-	26,785
Supplies	-	289,736
Postage	-	50,156
Water purchases	1,030,551	-
Sewage treatment	3,456,952	-
Transmission and distribution	783,989	-
Maintenance and operation	1,200,087	-
Customer accounting and collection	484,636	-
General and administration	345,603	-
Depreciation	296,424	307,681
Wages and benefits	-	242,257
Insurance payments	-	887,034
Other	239	1,532
Total operating expenses	<u>7,598,481</u>	<u>1,999,158</u>
Operating income (loss)	<u>1,373,648</u>	<u>(255,593)</u>
Nonoperating revenues (expenses):		
Interest and investment revenues	118,715	28,277
Loss on investments	-	(49,212)
Interest expense	(463,129)	-
Gain on disposal of capital assets	19,801	27,285
Total nonoperating revenues (expenses):	<u>(324,613)</u>	<u>6,350</u>
Income (loss) before transfers	<u>1,049,035</u>	<u>(249,243)</u>
Transfers in	<u>50,000</u>	<u>-</u>
Change in net assets	<u>1,099,035</u>	<u>(249,243)</u>
Total net assets - beginning	<u>14,508,183</u>	<u>2,992,198</u>
Total net assets - ending	<u><u>\$ 15,607,218</u></u>	<u><u>\$ 2,742,955</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 9,438,005	\$ -
Receipts from interfund services provided	-	1,573,041
Payments to suppliers	(6,004,262)	(1,441,988)
Payments to employees	(1,188,752)	(242,257)
Claims paid	-	-
Other receipts (payments)	-	175,209
Net cash provided by operating activities	2,244,991	64,005
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers from other funds	50,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from disposal of capital assets	19,801	(699,783)
Purchases of capital assets	(1,107,246)	27,285
Capital debt issued	155,487	-
Capital debt retired	(1,027,558)	-
Interest paid on capital debt	(463,129)	-
Net cash (used) by capital and related financing activities	(2,422,645)	(672,498)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	98,132	385,437
Interest and dividends	118,715	28,277
Net cash provided (used) by investing activities	216,847	413,714
Net increase (decrease) in cash and cash equivalents	89,193	(194,779)
Balances - beginning of year	352,833	719,124
Balances - end of year	\$ 442,026	\$ 524,345
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ 1,373,648	\$ (255,593)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	296,424	307,680
Change in assets and liabilities:		
Receivables, net	473,722	-
Accounts and other payables	101,197	(7,771)
Accrued expenses	-	19,689
Net cash provided (used) by operating activities	\$ 2,244,991	\$ 64,005

The notes to the financial statements are an integral part of this statement.

**CITY OF OAK PARK, MICHIGAN
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008**

	Employee Retirement Plan	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 2,324,869	\$ 267,127
Receivables:		
Accounts receivable	-	297
Interest and dividends	340,424	-
Total receivables	340,424	297
Investments, at cost:		
U.S. government obligations	-	51,086
Investments, at fair value:		
U.S. government obligations	3,820,873	-
Municipal Bonds	1,775,857	
Mortgage backed securities	5,852,890	-
Corporate bonds	11,103,704	-
Corporate stocks	35,105,680	-
Total investments	57,659,004	51,086
Total assets	60,324,297	\$ 318,510
LIABILITIES		
Accounts payable	7,889	\$ 318,510
Refunds payable and others	489,859	-
Total liabilities	497,748	\$ 318,510
NET ASSETS		
Held in trust for pension benefits and other purposes	\$ 59,826,549	

The notes to the financial statements are an integral part of this statement.

**CITY OF OAK PARK, MICHIGAN
STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Employee Retirement Plan
	<hr/>
ADDITIONS	
Contributions:	
Employer	\$ 2,917,208
Plan members	346,878
	<hr/>
Total contributions	3,264,086
	<hr/>
Investment earnings	
Net increase	
in fair value of investments	(4,469,278)
Interest	1,294,423
Dividends	971,968
	<hr/>
Total investment earnings	(2,202,887)
Less investment expense	(201,624)
	<hr/>
Net investment earnings	(2,404,511)
	<hr/>
Total additions	859,575
DEDUCTIONS	
Benefits	5,791,462
Health insurance	-
Refunds, rebates, and miscellaneous	979
	<hr/>
Total deductions	5,792,441
	<hr/>
Change in net assets	(4,932,866)
Net assets - beginning of year	64,759,415
	<hr/>
Net assets - end of year	\$ 59,826,549
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of *Oak Park*, Michigan was incorporated October 30, 1945. The City operates as a Mayor/Council-Manager form of government and provides the following services as authorized by the charter: public safety (police and fire), building ordinance enforcement, highways and streets, sanitation, parks and recreation, public improvement, planning and zoning, library service, water, sewer and refuse removal.

The accounting policies of the *City of Oak Park* conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

REPORTING ENTITY

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City's reporting entity because they are entities for which the City is considered to be financially accountable.

Blended Component Unit

The City of Oak Park Municipal Building Authority is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of acquiring and owning facilities for the use of the *City of Oak Park*. The Municipal Building Authority is governed by a Board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Authority be reported as a blended component unit. Complete financial statements of the Municipal Building Authority can be obtained from the *City of Oak Park, Michigan*.

Discrete Component Units

The City of Oak Park Economic Development Corporation is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of promoting development in the City. The Economic Development Corporation is governed

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

by a Board that is appointed by the City Council. The City has the ability to significantly influence the daily operations of the Corporation. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Special Revenue Fund, in which all the Corporation's activity is recorded, be included in the financial statements as a discrete component unit. Complete financial statements of the Corporation can be obtained from the *City of Oak Park, Michigan*.

The City of Oak Park Brownfield Redevelopment Authority was established to promote the redevelopment of, and private investment in, environmentally distressed properties within the City. The Brownfield Redevelopment Authority is governed by a Board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Authority be reported as a discrete component unit. Complete financial statements of the Brownfield Authority can be obtained from the *City of Oak Park, Michigan*.

BASIS OF PRESENTATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the Governmental Accounting Standards Board Statement 33.

The statement of net assets and the statement of activities display information about the City as a whole. The statements include all funds of the primary government and its component unit, except for its fiduciary funds. Those funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets.

The statement of net assets and the statement of activities are presented to distinguish between governmental and business type activities of the City. Governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues. These activities are reported in governmental and internal service funds. Business type activities are financed by fees charged to external parties for goods or services. These activities are reported in the City's enterprise funds.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Capital assets are reported in the government wide statements at historical cost. Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, library collection, infrastructure and all other tangible or intangible assets that are used in operations and have initial useful lives beyond a single reporting period and an individual cost of more than \$5,000. Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets.

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net assets. Capital assets that are not being depreciated, such as land, are reported separately.

Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the asset. Assets are depreciated on an individual basis for equipment and buildings. Roads are depreciated as a class with each class containing items based on their date of construction or reconstruction. Sidewalks are depreciated by class with each class containing items based on the year of construction.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Street Fund - The Major Street Fund is a special revenue fund used to account for the repair, maintenance and construction of the City's major streets as identified by the State of Michigan Department of Transportation.

Solid Waste Fund - The Solid Waste Fund is used to account for the collection and disposal of the City's solid waste.

Road Construction Fund - The Road Construction Fund is used to account for the construction of streets funded by the 2003 & 2006 Street Improvement General Obligation Bonds.

In addition the City reports on the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust funds).

PROPRIETARY FUNDS

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water & Sewer Fund and the City's Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprise Fund and Internal Service Funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS (Continued)

meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary fund:

Water and Sewer Fund - The Water and Sewer Fund is an Enterprise Fund. The City operates one Enterprise Fund, which accounts for the operation of the Water and Sewer Systems. The fund is financed and operated in a manner similar to a private enterprise. The intent is that costs (expenses, including depreciation) of providing water and sewer services to the general public are recovered through user charges.

Additionally, the City reports the following fund type:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City reports on five internal service funds 1) The Risk Management Fund is used to accumulate resources from other funds, which utilize labor, and to pay workers compensation premiums to the Michigan Municipal League's Workers Compensation Pool. It is also used for the City's property and liability insurance. 2) The Central Services Fund is used to account for Printing, Duplicating, and Mail services performed for the City's departments. 3) The Motor Pool Fund is used for the purchase and maintenance of the City's fleet. Its revenues come from rental charges for equipment to other funds. 4) The Retiree's Health Care Fund - Court is used for the accumulation of assets to fund retiree's health care for District court employees and 5) The Retiree's Health Care Fund – General is used for the accumulation of assets to fund retiree's health care for city employees.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust Funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds. The City has a Pension Trust Fund, which accounts for assets, liabilities, revenues and expenses in essentially the same manner as Proprietary Funds since capital maintenance is critical.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and/or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has a Payroll Agency Fund used to account for payment of employee's payroll. It also uses an Escrow Agency Fund used to hold assets belonging to another person or entity such as bond deposits.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected within 60 days after year end to pay liabilities of the current period. Significant revenues susceptible to accrual include reimbursement grants, state shared revenues and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available, spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, pension trust funds and agency funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Water and Sewer Fund utility service receivables are recorded at year-end.

All proprietary funds and the pension trust funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net assets. Proprietary funds and the pension trust funds report fund equity as net assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETARY DATA

Budgets are adopted on the modified accrual basis consistent with generally accepted accounting principles except that transfers are reported as revenue and expenditures. Annual appropriated budgets are adopted for the General, Special Revenue, and Capital Project Funds and the following Debt Service Funds - 2003 Street Improvement Fund, 2006 Street Improvement Fund and the 2003 Refunding Bond Fund. Annual budgets lapse at year-end. A budget is not adopted for the Municipal Building Authority Debt Service Fund.

The level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department (activity) level for the General Fund and the activity level for Special Revenue and Debt Service Funds.

The governing body must approve budget amendments at the activity level and supplemental appropriations, which affect total fund expenditures. Department Directors or the City Manager can transfer appropriations between line items within a department or activity without governing body approval. Supplemental appropriations were necessary during the year, which increased total expenditures.

ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end, however, material encumbrances generally are reappropriated as part of the following year's budget. These material encumbrances outstanding at year-end, if any, are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

DEPOSITS AND INVESTMENTS

The City of Oak Park's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair value.

INTERFUND RECEIVABLES/PAYABLES

In addition to transactions related to pooled cash, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are included in the "Due from Other Funds" or "Due to Other Funds" accounts on the balance sheet.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reported the following receivables as of June 30, 2008:

	<u>Taxes</u>	<u>Accounts</u>	<u>Special Assessments</u>	<u>Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Due From Other Funds</u>	<u>Total Receivables</u>
Governmental Activities:							
General	\$ 548,662	\$ 159,211	\$ -	\$ 5,561	\$ 785,763	\$ 97,472	\$ 1,596,669
Special Revenue	52,068	305,662	-	3,522	167,064	-	528,316
Debt Service	83,452	-	-	-	-	-	83,452
Capital Projects	-	1,247,269	28,746	14,479	-	-	1,290,494
Internal Service	-	-	-	2,737	-	-	2,737
Total -							
Governmental Activities	<u>\$ 684,182</u>	<u>\$ 1,712,142</u>	<u>\$ 28,746</u>	<u>\$ 26,299</u>	<u>\$ 952,827</u>	<u>\$ 97,472</u>	<u>\$ 3,501,668</u>
Business-Type Activities							
Water and Sewer	<u>\$ -</u>	<u>\$ 2,856,331</u>	<u>\$ 80,045</u>	<u>\$ 1,883</u>	<u>\$ 168,263</u>	<u>\$ -</u>	<u>\$ 3,106,522</u>

Special Assessments are the only receivables not expected to be collected within one year.

The City reported the following payables as of June 30, 2008:

		<u>Accrued</u>	<u>Due To</u>	
	<u>Accounts</u>	<u>Wages</u>	<u>Other Funds</u>	<u>Total</u>
Governmental Activities				
General	\$ 447,607	\$ 270,063	\$ -	\$ 717,670
Special Revenue	361,357	67,305	31,572	460,234
Debt Service	-	-	-	-
Capital Projects	1,269,960	1,254	65,900	1,337,114
Internal Service	47,921	101,559	-	149,480
Total -				
Governmental Activities	<u>\$2,126,845</u>	<u>\$ 440,181</u>	<u>\$ 97,472</u>	<u>\$ 2,664,498</u>
Business-Type Activities				
Water and Sewer	<u>\$ 715,082</u>	<u>\$ 127,188</u>	<u>\$ -</u>	<u>\$842,270</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CAPITAL ASSETS

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair market value on the date donated.

Depreciation of all exhaustible capital assets used by proprietary fund types is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund type statements of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Water and sewer system	20 to 100 years
Roads	25 years
Sidewalks	20 years
Vehicles	3 to 10 years
Machinery and equipment	3 to 30 years
Buildings and improvements	10 to 50 years
Library Books	5 years

UNEARNED REVENUES

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported as deferred revenues \$762,369 related to personal property taxes, assessments receivable and certain accounts receivable within the General Fund; \$61,383 for assessments receivable in the Major Street Fund, \$37,659 related to solid waste taxes, \$5,829 in the narcotics forfeiture fund in the Special Revenue Funds; and \$57,758 for taxes receivable within the Debt Service Funds.

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS (Continued)

governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and net of any deferred charges on bond refundings. Issuance costs are reported as deferred charges.

FUND EQUITY

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designations represent equity designated by the City for specific future uses.

PENSION PLANS

The provision for pension cost is recorded on an accrual basis, and the City's policy is to fund pension costs as they accrue.

PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of December 31 each year. City taxes are levied and immediately due on the following July 1, are collected without penalty through September 15, and with penalty thereafter. City property tax revenues are recognized as revenues in the fiscal year levied to the extent that they are measurable and available, and collected within sixty days after year-end. The City bills and collects its own property taxes as well as taxes for the County, three school districts and a community college within its jurisdiction. Collections and remittances of the County and school taxes are accounted for in the Current Tax Agency Fund.

SPECIAL ASSESSMENTS

Special assessments are recorded as revenues when due, not when levied. Estimated annual installments not yet available are reflected as deferred revenue. Special assessments are billed annually on June 1 and are due and payable August 1.

COMPENSATED ABSENCES

Effective July 1, 1993, the City adopted Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences" including Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES (Continued)

Governmental Fund Financial Statements.” Sick pay and vacation hours earned are recognized in the governmental financial statements when they are paid.

The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Assets. This liability is composed of: 1) employees who vest in the retirement system and are paid for fifty percent of unused sick days upon termination of employment and 2) Unused vacation paid upon termination of employment.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 20

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

2. EXPENDITURES OVER BUDGET

Compliance with Amended Budget and Michigan Public Act (P.A.) 2 of 1968 and Other Budgeting Matters:

P.A. 2 of 1968 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body.

In the body of the financial statements, the City's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, with the approved budgets of the City of those budgetary funds being adopted at the activity or department level. A comparison of the original budget adopted by City Council and budget amendments can be examined at City Hall, 13600 Oak Park Blvd., Oak Park, Michigan.

During the year ended June 30, 2008, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Budget</u>
General Fund			
Prosecuting Attorney	\$ 103,102	\$ 105,264	(\$2,162)
Non-Departmental	\$2,233,064	\$ 2,644,673	(\$411,609)

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

2. EXPENDITURES OVER BUDGET (Continued)

General Fund (Continued)

Local Street Fund	\$ 696,800	\$ 705,628	(\$8,828)
Criminal Justice Training Fund	\$ 15,000	\$ 17,756	(\$2,756)
Project Impact Program	\$ 12,838	\$ 18,728	(\$5,890)
P.U.S.H. Program Grant Fund	\$ 0	\$ 939	(\$939)
Municipal Building Construction Fund	\$ 140,000	\$ 150,320	(\$10,320)
Sidewalk Program	\$ 20,000	\$ 23,468	(\$3,468)

The City's appropriation resolution is generally passed during the May preceding the fiscal year in which the planned expenditures relate. Subsequent amendments are made to avoid unfavorable variances from the original budget. Related resolutions are made to state the purpose and amount of the changes. The City Manager has the responsibility to enforce the budget. Unused appropriations do not carry forward to the next fiscal year.

3. BUILDING PERMITS AND RELATED COSTS

The City has the following revenues and costs related to building permits:

	<u>Prior Years</u>	<u>FY 2007 – 2008</u>	<u>Total</u>
Building permit revenue	\$1,173,824	\$ 123,877	\$ 1,297,701
Less: Expenditures	<u>(2,100,982)</u>	<u>(307,626)</u>	<u>(2,408,608)</u>
Shortfall at June 30	<u>(\$927,158)</u>	<u>(\$183,749)</u>	<u>(\$1,110,907)</u>

4. DEPOSITS AND INVESTMENTS

Cash and cash equivalents per:

Statement of Net Assets	\$ 6,487,185
Statement of Fiduciary Net Assets	2,591,996

Investments per:

Statement of Net Assets	3,311,937
Statement of Fiduciary Net Assets	57,710,090

Restricted cash and cash equivalents per

Statement of Net Assets	<u>93,800</u>
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Total Deposits and Investments	<u>\$70,195,008</u>
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CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

4. DEPOSITS AND INVESTMENTS (Continued)

Restricted Cash:

The amount of \$93,800 in restricted cash represents bonds posted by individuals who have pending court cases in the 45B District Court Fund. These bonds must be returned to the individuals and therefore are restricted.

Deposits:

To the extent that cash from various funds have been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that Agency Funds investment earnings are allocated to the General Fund.

Investments:

Statutory Authority

State statutes authorize the City of Oak Park to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through 12/31/97.

The City of Oak Park investment policy allows for all of these types of investments.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2008 the City of Oak Park had the following investments in its internal investment pool:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Certificates of Deposit:			
Charter One Bank	July, 2008-Aug., 2008	\$ 1,679,916	18.51 %
Fifth Third Bank	July, 2008-Aug., 2008	1,460,441	16.07
The Private Bank	July, 2008-Aug., 2008	1,156,752	12.73
National City Bank	May, 2009	512,471	5.64
Commercial Paper:			
Sherwin Williams	July, 2008	476,375	5.24
Gannet	July, 2008	756,964	8.33
New Center Asset Trust	August, 2008	631,644	6.95
Wellpointe	August, 2008	1,299,208	14.30
Covideon	August, 2008	599,839	6.60
U. S. Agencies			
Federal National Mortgage Assoc.	July, 2009	<u>511,821</u>	<u>5.63</u>
Total		<u>\$ 9,085,431</u>	100 %

As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy limits at least sixty percent of the city's investment portfolio to maturities of less than three years. The city's investment policy also prohibits investments with a maturity of greater than five years.

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The city's investment policy has the same limits. As of June 30, 2008 the city's investment in all commercial paper was rated A2 by Standard & Poor's and P2 by Moody's Investors Services.

Custodial credit risk is the risk that in the event of a bank failure, the city's deposits may not be returned. State law does not require and the city does not have a policy for deposit custodial credit risk. As of year end \$4,409,580 of the city's certificates of deposit of \$4,809,580 was exposed to custodial credit risk because it was uninsured and uncollateralized.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

for investment custodial risk. The city's investment policy requires all securities (except certificates of deposit) purchased by the city shall be properly designated as an asset of the city and held in safekeeping by a third party custodial bank or other third party custodial institution, chartered by the United States government or the State of Michigan, and no withdrawals of such securities shall be made from safekeeping except by the city.

State law limits allowable investments but does not limit concentration of credit risk. The city's investment policy limits the amount that can be invested in a single security type to 50 percent (excluding U.S. securities) and limits the amount invested in a single financial institution to 25 percent. The level of concentration of each investment is in the above table.

State statutes govern the City's investment policies. General City funds must be deposited in government insured bank accounts in banks, savings and loans, and credit unions, provided the latter two meet State Filing requirements and its lending practices are not discriminatory. Pension trust fund investments must conform to the limits and standards set forth in Michigan Public Act 55 of the Public Acts of 1982, as amended, and Public Act 252 of 1988.

The term of investments and financial institutions used for investment purposes are determined based on City needs. The City Treasurer periodically assesses the financial strength and services provided by financial institutions to help ensure that integrity of principal and City investment needs are met.

The City's investments in the Employees Retirement Plan at June 30, 2008 are summarized as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Credit Risk Rating</u>
U.S. Government Obligations:			
GNMA Pools	10/15/2008 – 6/30/2013	\$ 703	Aaa
	7/1/2013 – 2/15/2014	1,824	Aaa
Federal Home Loan Bank	10/25/2010	389,177	Aaa
U.S. Treasury Notes	10/15/2010– 6/30/2013	496,118	Aaa
	7/1/2013 – 8/15/2017	2,155,365	Aaa
Federal Nat. Mortgage Assoc.	2/13/2017	239,406	Aaa
Federal Farm Credits	11/22/2010	538,280	Aaa
Mortgage Backed Securities	11/1/2009 – 6/30/2013	1,247,209	Aaa
	7/1/2013 – 6/30/2018	1,946,843	Aaa
	7/1/2018 – 6/30/2036	2,658,838	Aaa

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	Credit Risk
			<u>Rating</u>
Municipal Bonds	11/1/2009 – 6/30/2013	250,952	Aaa
	7/1/2013 – 6/30/2018	983,538	Aaa-Aa3
	7/1/2018 – 6/30/2036	541,367	Aa2-Aa3
Corporate Bonds	7/1/2008 – 6/30/2013	6,215,343	Aaa-Baa3
	7/1/2013 – 6/30/2018	3,685,179	Aa2-Baa3
	7/1/2018 – 6/30/2023	407,450	Aa2
	7/1/2023 – 6/30/2028	284,277	A1
Common Stock		35,105,680	
Preferred Stocks		<u>511,455</u>	
Total		<u>\$ 57,659,004</u>	

Credit Ratings are provided by Moody's Investor Service.

Pension trust investments are subject to a number of restrictions as to the type, quality, and concentration of investments made, including the limiting of equity investments.

Included in the City's investments at June 30, 2008 are the following:

- a) Approximately \$2,527 of securities issued by the Government National Mortgage Association (GNMA), \$2,627,771 issued by the Federal National Mortgage Association (FNMA), \$2,261,484 notes issued by U.S. Treasury and \$538,280 of Federal Farm Credits are investments of the retirement system. These investments are backed by the full faith and credit of the U.S. government. The yields provided by these mortgage-related securities historically have exceeded yields on other types of U.S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.
- b) Approximately \$2,683,205 of collateralized mortgage obligations (or obligations of the Federal National Mortgage Association or Government National Mortgage Association) is investments of the retirement system. These investments are usually not backed by the full faith and credit of the U. S. government. Credit ratings are supplied above. The yields provided by these mortgage-related securities historically have exceeded yields on other types of U. S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.
- c) Variable rate instruments (floaters) of approximately \$1,170,596 are investments of

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

4. DEPOSITS AND INVESTMENTS (Continued)

the retirement system. These securities are based on cash flows from interest and principal payments in underlying securities. These variable rate debt instruments are tied to prevailing short-term interest rates and are relatively insensitive to interest rate changes. There is no prepayment risk associated with these instruments.

The mutual funds are registered with the SEC. The Michigan Banking Act regulates the bank investment pools. The fair value of the position in the bank investment pools is the same as the value of the pool shares. The bank investment pools and mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in these funds comply with the investment authority noted above.

5. PROPERTY TAXES

Property taxes are levied based on taxable values of property located in the City. Taxable values are established annually. The taxable property values for the 2007 tax levy are as follows:

	<u>Taxable Value</u>
Real property	\$678,370,150
Personal property	<u>43,942,580</u>
Total	<u>\$722,312,730</u>

The City is permitted by City Charter to levy up to a maximum of \$20.00 (20 mills) per \$1,000 of Taxable Value for operations that is reduced by the Headlee Act and the Truth in Taxation Act. Additionally, state law allows the City to levy taxes for solid waste collection and disposal. It is also permitted to levy unlimited amounts for repayment of existing general long-term debt obligations. As of July 1, 2007, 17.3477 mills were levied for general governmental services, 2.4531 mills were levied for solid waste and 3.9280 mills were levied for long-term debt retirement.

6. CAPITAL ASSETS

The City adopted a Capitalization Policy that identified Capital Assets as those items having a value of \$5,000 or more as of June 30, 2000. In conjunction with this policy an appraisal of all Capital Assets as of June 30, 2000 was conducted by an independent appraisal firm. In the appraisal process costing techniques used were in compliance with Generally Accepted Accounting Principals (GAAP). Original cost and acquisition date was used for property inventoried when invoices and accurate records were available. Standard costing and normal costing techniques were used when original records were not available. Infrastructure assets included all items regardless of their acquisition date or amount.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

6. CAPITAL ASSETS (Continued)

In standard costing, inventoried property units/groups not reconciled to a historical record received an estimated cost, where possible, based on a standard cost - a known average installed cost for a like unit at the estimated acquisition date. The unit's age is estimated based on observed condition, manufacturer's name, model, serial number, age of the facility, and other factors.

In normal costing, where the preceding technique cannot be employed to apply historical cost, cost is estimated based on a present cost reproduction new indexed by a reciprocal factor of the price increase from the estimated date acquired to the appraisal date.

General Capital Assets are reported as of June 30, 2008 based on this appraisal report. Deletion amounts reported as of June 30, 2008 are based on this appraisal report. Additions are based on actual activity during the fiscal year.

	<u>Balance</u> <u>July 1, 2007</u>	<u>Primary Government</u>		<u>Balance</u> <u>June 30,</u> <u>2008</u>
		<u>Additions</u>	<u>Deletions</u>	
Governmental Activities:				
<u>Nondepreciable Assets</u>				
Land	\$1,503,145	\$ 0	\$ 0	\$1,503,145
Rights-of-way	600,818	0	0	600,818
Work in progress	6,801,674	4,819,818	(351,167)	11,270,325
<u>Depreciable Assets</u>				
Infrastructure – roads	91,501,974	574,081	(105,089)	91,970,966
Infrastructure – sidewalks	4,153,434	0	(170,000)	3,983,434
Buildings	3,256,897	0	0	3,256,897
Improvements – other	2,587,113	17,516	(4,200)	2,600,429
Library collection	286,448	0	0	286,448
Vehicles and equipment	3,392,445	699,783	(145,888)	3,946,340
Miscellaneous equipment	<u>1,300,352</u>	<u>118,119</u>	<u>0</u>	<u>1,418,471</u>
Subtotal - Depreciable Assets	<u>106,478,663</u>	<u>1,409,499</u>	<u>(425,177)</u>	<u>107,462,985</u>
Total at historical cost	<u>115,384,300</u>	<u>6,229,317</u>	<u>(776,344)</u>	<u>120,837,273</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

6. CAPITAL ASSETS (Continued)

Less accumulated depreciation for:

Infrastructure – roads	(72,439,392)	(1,494,008)	105,089	(73,828,311)
Infrastructure - sidewalks	(2,213,971)	(178,199)	170,000	(2,222,170)
Buildings	(2,669,244)	(40,114)	0	(2,709,358)
Improvements – other	(759,342)	(88,617)	2,100	(845,859)
Library collection	(184,788)	(36,318)	0	(221,106)
Vehicles and equipment	(2,094,186)	(306,024)	145,888	(2,254,322)
Equipment - general	<u>(1,173,364)</u>	<u>(38,002)</u>	<u>0</u>	<u>(1,211,366)</u>
Total accumulated depreciation	<u>(81,534,287)</u>	<u>(2,181,282)</u>	<u>423,077</u>	<u>(83,292,492)</u>
Subtotal - Depreciable Assets	<u>24,944,376</u>	<u>(771,783)</u>	<u>(2,100)</u>	<u>24,170,493</u>
Governmental activities capital assets, net	<u>\$33,850,013</u>	<u>\$ 4,048,035</u>	<u>\$(353,267)</u>	<u>\$37,544,781</u>

Business-type Activities:

<u>Nondepreciable Assets</u>	<u>Primary Government</u>			<u>Balance June 30, 2008</u>
	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	
Land	\$ 11,502	\$ 0	\$ 0	\$ 11,502
Work in Progress	<u>16,882,303</u>	<u>385,813</u>	<u>0</u>	<u>17,268,116</u>
Subtotal	<u>16,893,805</u>	<u>385,813</u>	<u>0</u>	<u>17,279,618</u>
 <u>Depreciable Assets</u>				
Buildings	233,624	0	0	233,624
Garage	24,564	0	0	24,564
Equipment – other	32,737	0	0	32,737
Vehicles and Equipment	1,050,932	171,120	(87,510)	1,134,542
Water System	10,831,955	615,913	0	11,447,868
Water – Hydrants	560,836	0	0	560,836
Water – Tanks	166,833	0	0	166,833
Water – Pump Station	1,054,921	0	0	1,054,921
Water – Master Meter	27,514	0	0	27,514
Water – Reservoir	852,719	0	0	852,719
Water – Reservoir Pump	413,457	0	0	413,457
Sewer System	<u>1,637,015</u>	<u>0</u>	<u>0</u>	<u>1,637,015</u>
Subtotal - Depreciable Assets	<u>16,887,107</u>	<u>787,033</u>	<u>(87,510)</u>	<u>17,586,630</u>
Total at historical cost	33,780,912	1,172,846	(87,510)	\$34,866,248

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

6. CAPITAL ASSETS (Continued)

Less accumulated depreciation for:

Buildings	(204,518)	(3,678)	0	(208,196)
Garage	(24,564)	(0)	0	(24,564)
Equipment – other	(28,284)	(1,382)	0	(29,666)
Vehicles and Equipment	(918,717)	(60,544)	21,910	(957,351)
Water System	(3,296,562)	(138,297)	0	(3,434,859)
Water – Hydrants	(377,215)	(7,895)	0	(385,110)
Water – Tanks	(155,743)	(5,690)	0	(161,433)
Water – Pump Station	(775,572)	(31,130)	0	(806,702)
Water – Master Meter	(18,916)	(344)	0	(19,260)
Water – Reservoir	(450,175)	(14,950)	0	(465,125)
Water – Reservoir Pump	(216,738)	(9,394)	0	(226,132)
Sewer System	<u>(181,268)</u>	<u>(23,120)</u>	<u>0</u>	<u>(204,388)</u>
Total accumulated depreciation	<u>(6,648,272)</u>	<u>(296,424)</u>	<u>21,910</u>	<u>(6,922,786)</u>
Subtotal - Depreciable Assets	<u>10,238,835</u>	<u>490,609</u>	<u>(65,600)</u>	<u>10,663,844</u>
Business-type activities capital assets, net	<u>\$ 27,132,640</u>	<u>\$ 876,422</u>	<u>(\$65,600)</u>	<u>\$ 27,943,462</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 22,736
Judicial	5,005
Public Safety	10,265
Road Maintenance & Repair	1,672,206
Public Works	67,690
Culture and Recreation	58,670
Library	<u>37,029</u>
Sub-Total: Governmental Activities	1,873,601
In addition, depreciation on capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets	<u>307,681</u>
Total depreciation expense	<u>\$ 2,181,282</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

7. SUMMARY OF PROPRIETARY TYPE FUNDS CAPITAL ASSETS

Proprietary type funds capital assets at June 30, 2008 are summarized as follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 11,502	\$ -
Buildings	258,188	-
Vehicles	1,134,542	3,946,339
Equipment	32,737	11,596
Water transmission and distribution mains	11,447,868	-
Fire hydrants	560,836	-
Water Tank	166,833	-
Water Pumping Station	1,054,921	-
Water Master Meter	27,514	-
Water Reservoir	852,719	-
Water Reservoir Pumping Station	413,457	-
Sewer System	1,637,015	-
Work in Progress	<u>17,268,116</u>	<u>-</u>
Total Undepreciated cost	34,866,248	3,957,935
Less: accumulated depreciation	<u>(6,922,786)</u>	<u>(2,265,917)</u>
Total proprietary fund types property and equipment, net of accumulated depreciation	<u>\$27,943,462</u>	<u>\$1,692,018</u>

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET

"Total fund balances" of the City's governmental funds (\$8,321,009) on the Governmental Funds Balance Sheet differs from "net assets" of governmental activities (\$19,344,636) reported in the statement of net assets. The difference primarily results from the long-term economic focus of the statement of net assets versus the current resources focus of the governmental fund balance sheets. The following is a description of each difference found on the reconciliation of government funds balance sheet and statement of net assets:

1. When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However the statement of net assets includes those assets among the assets of the City as a whole.

Cost of capital assets	\$116,879,337
Accumulated depreciation	<u>(81,026,574)</u>
	<u>\$ 35,852,763</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET (Continued)

2. Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. The balance of bonds payable as of June 30, 2008 is \$25,805,000 and is recognized as a liability on the statement of net assets but not on the governmental funds balance sheet.

3. The City provides employees with sick, vacation, and personal leave, which can be accumulated and redeemed for compensation at retirement. This leave is referred to as accumulated compensated absences. Leave not used at the end of the fiscal year is not payable from current resources and is not recognized on the governmental funds balance sheet. The amount of \$2,254,067 is recognized as a long-term liability on the statement of net assets. The amount payable by fund is as follows:

General Fund	\$ 2,030,580
Major Streets	11,470
Local Streets	6,349
District Court	<u>205,668</u>
	<u>\$ 2,254,067</u>

4. Some revenues will not be collected for several months after the City's fiscal year ends and are not considered "available" revenues in governmental funds. These revenues are presented as "deferred revenues" with a corresponding accounts receivable on the governmental funds balance sheet. These revenues are recognized as revenues in the period which they were earned, with a corresponding estimate of uncollectible amounts, on the statement of net assets. These amounts are as follows:

	<u>Total</u>	<u>Estimated Allowance for Uncollectible Accounts</u>		<u>Revenue</u>
		<u>Percent</u>	<u>Amount</u>	
Delinquent personal property tax	\$ 407,012	21.40	\$ 87,100	\$ 319,912
Emergency Service Billings	153,283	31.05	47,602	105,681
Special Assessments	<u>61,383</u>	0	<u>0</u>	<u>61,383</u>
Total	<u>\$ 621,678</u>		<u>\$ 134,702</u>	<u>\$ 486,976</u>

The City levies a tax on personal property of commercial and industrial businesses. Taxes that remain unpaid at the end of the tax year are collected by Oakland County under a contractual agreement with the City. The uncollectible amount is estimated using past experience of canceled accounts.

Emergency Service Billings represent amounts charged to persons convicted of drunk driving and are charged for time and materials used in their arrests. Uncollectible amounts

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET (Continued)

were estimated using past experience of amounts written off by the City's collection agency.

Special Assessments are levied on properties that have services performed for them by the City, such as weed mowing. These amounts are put on a taxpayer's property tax bill and are paid 100% by the Oakland County as part of the tax settlement.

6. Internal service funds are used by management to charge the costs of certain activities, such as risk management and motor pool, to individual funds. The balance of assets, liabilities, and fund equity at year-end are accounted for on the statement of net assets but not on the governmental balance sheet.

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The "net change in fund balances" for governmental funds (\$4,540,473 decrease) on the Statement of Revenues, Expenditures and Changes in Fund Balance differs from the "change in net assets" for governmental activities (\$274,520 decrease) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The following is a description of each difference found on the reconciliation of

statement of revenues, expenditures and changes in fund balance to the statement of activities:

1. Capital outlays are reported as an expenditure in the statement of revenues, expenditures and changes in fund balance. The costs of these outlays are spread over the estimated useful lives of the assets (depreciation) in the statement of activities. The difference is illustrated below:

Total additions:	\$ 6,229,317
Less: Internal Service Funds capital purchases	(699,783)
Amount added from Work in Progress	<u>(351,167)</u>
Capital outlays as expenditures in FY 2007-2008	5,178,367
Total depreciation:	\$2,181,282
Less: Internal Service Funds depreciation	<u>(307,680)</u> <u>(1,873,602)</u>
	<u>\$ 3,304,765</u>

2. Capital assets that are not fully depreciated but are retired create an expense on the Statement of Activities (\$2,100) but are not expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

3. Principal on long-term debt was reduced in FY 2007-2008 by \$1,670,000. The debt was originally issued to purchase capital assets and the outstanding liability is reported as reduction of net assets. Reducing the liability increases net assets.

4. Deferred revenue is estimated as explained in footnote 8(4) above. The estimate of revenue earned in FY 2007-2008 by program is as follows:

General Government	\$ (1,432)
Public Safety	(86,310)
Road Maintenance & Repair	(51,058)
Health and Sanitation	(10,333)
General Tax Revenue	<u>(119,403)</u>
	<u>\$ (268,536)</u>

5. The change in the long-term expense for accumulated compensated absences reported in the statement of activities and not the statement of revenues, expenditures and changes in fund balance is as follows:

General Fund	\$164,918
Major Streets	438
Local Streets	(228)
District Court	<u>23,805</u>
	<u>\$188,933</u>

These expenses were charged to the following programs on the Statement of Activities:

General Government	\$ (3,277)
Judicial	23,805
Public Safety	137,299
Road Maintenance & Repair	210
Public Works	27,321
Culture and Recreation	(1,596)
Library	<u>5,171</u>
	<u>\$ 188,933</u>

6. Internal service funds are used by management to charge the costs of certain activities, such as risk management, motor pool, central services, and retiree's health care to individual funds. The change in net assets of Internal Service Funds in FY 2007-2008 were included in the following programs on the Statement of Activities:

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

6. Internal Service Funds (continued)

General Government	\$ (36,256)
Judicial	(34,393)
Public Safety	(89,201)
Road Maintenance & Repair	(5,283)
Public Works	(65,049)
Health and Sanitation	(7,289)
Culture and Recreation	(13,398)
Library	(3,175)
Community Development	(1,549)
General Interest, Loss and Contribution	<u>6,350</u>
	<u><u>\$(249,243)</u></u>

The City's policy for eliminating the activity in the Risk Management Fund is to spread the income or loss to each activity based on direct expenditures of each activity before internal activity is eliminated.

The City's policy for eliminating the activity in the Motor Pool Fund is to spread the income or loss to each activity based on the number of vehicles used.

The City's policy for eliminating the activity in the Central Services Fund is to spread the income or loss to each activity based on direct expenditures of each activity before internal activity is eliminated.

The City's policy for eliminating the activity in the Retirees Health Care Fund is to spread the income or loss to each activity based on the number of retirees receiving health insurance.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Michigan Municipal League sponsored self-insurance/public entity risk pools. The City pays annual premiums to the respective pools for general liability, property and workers' compensation insurance coverage and carries commercial insurance for other risks of loss. The agreements for the formation of the Michigan Municipal Liability and Property Fund and the Michigan Municipal Workers Compensation Fund provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of limitations imposed by the pool.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

10. RISK MANAGEMENT (Continued):

General Liability and Property

The City's Risk Management Fund is used to account for and finance the expenditures of the general liability and property plan. The Michigan Municipal Liability and Property Fund provides various levels of coverage, depending on which policy covers the claim. The City has numerous policies but the major policy limits are as follows: public officials and public safety officers claims are covered up to \$10 million per occurrence, vehicle liability claims are covered up to \$10 million per occurrence, and employee dishonesty claims are covered up to \$500,000. For claims that are in excess of policy limitations, reinsurance with commercial companies has been provided.

Workers' Compensation

The Risk Management Internal Service Fund is also used to account for and finance the expenditures of the workers' compensation plan. The Risk Management Fund charges other City of Oak Park funds amounts that will provide for future expected and unexpected losses. The Risk Management Fund allocates the cost of providing claim servicing and claim payments by charging a "premium" to each fund, based on a percentage of each fund's estimated current year payroll. The plan has been approved by the State of Michigan under the Michigan Workers' Disability Compensation Act.

Workers compensation claims are covered by the Michigan Municipal Worker's Compensation Self-Insurer's Fund. Under the terms of the agreement, the Fund will pay all claims incurred, up to a maximum of \$500,000 per occurrence. The City's liabilities for claims are recorded in the Risk Management Fund when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liability does not necessarily result in an exact amount. Claim liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

The City's estimated claims payable at June 30, 2008 is \$74,000.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

10. RISK MANAGEMENT (Continued):

Changes in the fund's claims liability amount are as follows:

Fiscal year ended June 30:	Beginning of year liability	Current year claims	Claim payments and changes in estimates	End of Year Liability
2004	\$ 74,000	\$ 48,183	\$ 48,183	\$ 74,000
2005	74,000	62,132	62,132	74,000
2006	74,000	15,350	15,350	74,000
2007	74,000	1,859	1,859	74,000
2008	74,000	1,116	1,116	74,000

Insurance settlements have not exceeded insurance coverage in any of the past three years.

The Michigan Municipal Liability and Property Fund and the Michigan Municipal Workers Compensation Fund have published their own financial reports, which can be obtained by contacting the management of each pool.

Health Insurance

The City provides health care benefits for substantially all of its employees and certain retirees under a commercial insurance policy. The policy utilizes an experience rating system, whereby insurance premium rates are affected by the actual claims reported. A settlement is performed annually covering the policy period, ending in March. If actual and estimated claims are in excess of the premiums paid during the policy period, the excess is recovered through subsequent premium increases, not to exceed thirty percent of the excess claims. If claims are less than premiums paid, then fifty percent of the excess premiums may be used to offset future premiums or refunded at the option of the City.

11. DEFINED BENEFIT PENSION PLAN

Plan Description and Contribution Information

The following brief description of the City of Oak Park Employee's Retirement Plan and Trust (Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

11. DEFINED BENEFIT PENSION PLAN (Continued)

General

The Plan, established by Chapter 15 of the City of Oak Park, Michigan Charter, is a single-employer defined benefit pension plan covering all employees of the City of Oak Park hired before August 1, 2004. General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006 are part of the defined contribution pension system described below. The City of Oak Park is the administrator of the defined benefit plan. Administrative costs of the Plan are financed through investment earnings. The Plan is included as a pension trust fund in the City's primary government financial statements and a stand-alone financial report of the Plan has not been issued.

Membership of the plan consisted of the following at June 30, 2007, the date of the latest actuarial valuation:

	Retirees and Beneficiaries Currently Receiving Benefits	Inactive Employees entitled to Benefits but Not Receiving them
General	136	9
Public Safety	<u>84</u>	<u>11</u>
Total	<u>220</u>	<u>20</u>

	Active Employees		
	<u>Vested</u>	<u>Non-Vested</u>	<u>Total</u>
General	30	62	92
Public Safety	<u>19</u>	<u>46</u>	<u>65</u>
Total	<u>49</u>	<u>108</u>	<u>157</u>

Eligibility

Employees retiring with ten or more years of service are entitled to annual pension benefits. General employees may retire at age 55, with retirement mandatory at age 70 without the employer's consent to continue. General non-union employees may retire after 25 years of service, regardless of age. Public safety employees may retire at age 50, with retirement mandatory at age 60 without the employer's consent to continue. Public Safety employees may retire after 25 years of service, regardless of age.

Vested employees receive a retirement benefit based on a formula established by a Negotiated Union Contract or City Ordinance. Employees can also receive a benefit based on a disability that occurred on the job (Duty Disability), a disability that occurred outside employment (Non-Duty Disability), or Death (paid to surviving spouse or dependent). Benefits can be amended by City Ordinance (voted on by a majority of City Council) or a negotiated contract with union groups.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

11. DEFINED BENEFIT PENSION PLAN (Continued)

Contributions

Employee Contributions

Eligible general employees are not required to contribute to the Plan. Eligible public safety employees hired before July 1, 2006 are required to contribute 5.55% and employees hired after July 1, 2006 are required to contribute 7.50% of their annual compensation to the Plan in fiscal year 2007-2008. Such aggregate contributions amounted to \$346,878 (before refunds) for the year ended June 30, 2008.

Employer Contributions

The City also makes contributions to the Plan, at annual actuarially determined amounts, to provide assets sufficient to meet the benefits to be paid to plan members. The current rate paid by the City is 25.66% of annual covered payroll for General members and 32.02% of annual covered payroll for Public Safety members.

Employer and employee contributions are established, and may be amended, by City Charter and Council approved union contracts.

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due.

The City's contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The plan uses the entry age actuarial cost method and a 4-year smoothed market method to value assets.

Method Used to Value Investments

The Plan's investments are reported at fair value which is determined using selected bases as follows: securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments that do not have established market values are reported at estimated fair value; and cash deposits are reported at carrying amounts which reasonably estimates market value.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

11. DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to the City of Oak Park Employee's Retirement Plan and Trust for the current year were as follows:

Annual required contribution/pension cost	\$2,917,208
Contribution made	<u>(2,917,208)</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u>\$ -</u>

The annual required contribution for the current year was determined as part of a June 30, 2006 actuarial valuation using the level contribution method. The actuarial assumptions included (a) 7.5% investment rate of return on the investment, which includes 4% attributable to inflation, compounded annually, (b) projected salary increases of 4% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded, actuarial accrued liability is being amortized as a level percentage of projected payroll with 30 years remaining from a 30-year schedule, as of June 30, 2007.

Reserves - As of June 30, 2008 the plan's reserves have been fully funded as follows:

Legally required reserves:

Reserves for employees' contributions	\$ 4,772,921
Reserves for retired benefit payments	52,322,408
Additional reserves - Reserve for employer contributions	<u>2,731,220</u>
Total Reserves	<u>\$ 59,826,549</u>

The amortization period is closed - a specific number of years is counted from one date and, therefore, declines to zero with the passage of time.

Trend Information

Three Year Trend Information

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2006	\$3,724,277	100%	\$ -
6/30/2007	4,402,080	100%	-
6/30/2008	2,917,208	100%	-

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

12. 45B DISTRICT COURT MONEY PURCHASE PENSION PLAN

The 45B District Court Money Purchase Pension Plan is held in trust and covers 24 employees of the District Court. The plan is available to employees after one year of employment and benefits are fully vested upon the seventh year of service. The third party administrator for this plan is Freedom One Financial. In the money purchase pension plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The money purchase pension plan cost to the 45B District Court for the fiscal year ended June 30, 2008 was \$170,121. The defined contribution pension cost to the employees was \$0. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of the City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants. Assets of the plan are valued at \$1,531,348 as of June 30, 2008.

13. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park Defined Contribution Pension Plan provides retirement to General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. At June 30, 2008 there were 22 plan members. The City contributes 7.5% of covered payroll and will match an employee's voluntary contribution up to 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2008 were \$17,092 by employees and \$70,480 by the City.

14. POST RETIREMENT HEALTH BENEFITS

The City provides a post retirement, group hospitalization plan for its general employees and group hospitalization, dental and optical plans for its public safety employees hired before August 1, 2004. The City contributes 3% of covered payroll to a Health Savings Plan for General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. These plans were established through the employees' union contracts and employees not covered by union contracts will receive the same benefits that general employees receive.

The general employees' post retirement benefits and the public safety employees' coverage passes to the surviving spouse upon death of the retiree.

Currently 136 general retiree and 84 public safety retirees and surviving spouses are receiving benefits. The City pays 100% of the benefits for all public safety and general current retirees. A co-pay at the percentage indicated below will be required by retirees who were hired after January 18, 1993 for Public Safety Officers and July 1, 1992 for Public Safety Command Officers.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

14. POST RETIREMENT HEALTH BENEFITS (continued)

<u>Years of Service</u>	<u>Employer Pays</u>	<u>Employee Pays</u>
0-9	0%	100%
10-14	55	45
15-19	75	25
20-24	85	15
25 and up	100	0

Expenditures for the premiums are paid and recognized as they become due. During the year ended June 30, 2008, expenditures for general employees of \$985,652 and for public safety employees of \$858,119 were recognized for retiree health insurance premiums.

There is the added stipulation in the union contracts that once retirees and dependents reach age 65, they shall be converted to Medicare Complimentary Coverage.

The City has created a Retiree's Health Care Fund in anticipation of pre-funding retiree's health care in the future. The funds set aside are held in a fund authorized by Public Act 149 of the State of Michigan.

The funding status of the plan as of June 30, 2007, was as follows:

Actuarial Accrued Liability (AAL)	\$ 76,803,559
Actuarial Value of Assets	<u>484,416</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 76,319,143
Funded Ratio (actuarial value of plan assets/AAL)	1%
Covered Payroll	\$8,917,700
UAAL as a percentage of covered payroll	855.8%

In the June 30, 2007, actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return and an annual healthcare cost trend of 10% initially, reduced by decrements to an ultimate rate of 4.0% after ten years. Both rates include a 4.5% inflation assumption. The actuarial value of assets was determined using market value. The unfunded actuarial accrued liability is being amortized as a level dollar amount for non-union members and a level percentage of payroll on a closed basis for all others. The remaining amortization period at June 30, 2007 was 30 years. The Annual Required Contribution for Fiscal Year 2008-2009 is \$5,132,500.

The Health Savings Plan for General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006 had 11 plan members at June 30, 2008. The City contributes 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2008 were \$18,980.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

15. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority") which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of sixty-nine votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2008, the last available audited financial statements, the Authority reported a decrease in net assets in the amount of \$74,529 resulting in ending net assets in the amount of \$5,819,732. During the year ended June 30, 2008, the City expended \$1,353,345 of payments made to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

16. LEASES

The City of Oak Park has an agreement with HoneyBaked Hockey Club for the operation of the City ice rink. HoneyBaked will pay rent of \$2,500 each month, which is to be paid in advance by the tenth of the month. The City may terminate the contract only if HoneyBaked fails to perform the terms and conditions of the contract. The City received \$30,000 from HoneyBaked for the fiscal year ended June 30, 2008.

17. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2008:

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities -General Obligation</u>		
		<u>Bonds</u>	<u>Accumulated Compensated Absences</u>	<u>Total</u>
Long-term debt payable at July 1, 2007	\$16,091,554	\$27,475,000	\$2,065,134	\$ 29,540,134
Debt issued or increases	155,487	0	242,111	242,111
Debt retired	<u>(1,027,558)</u>	<u>(1,670,000)</u>	<u>(53,178)</u>	<u>(1,723,178)</u>
Long-term debt at June 30, 2008	15,219,483	<u>\$25,805,000</u>	<u>\$2,254,067</u>	<u>\$28,059,067</u>
Accumulated compensated Absences				
June 30, 2007: \$ 52,110				
Additions 0				
Subtractions (3,888)	<u>48,222</u>			
Total - June 30, 2008	<u>\$ 15,267,705</u>			

Significant details regarding the types of debt are presented as follows:

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

17. LONG-TERM DEBT (Continued)

GENERAL OBLIGATION DEBT

<u>Bonds and Contracts Payable</u>	<u>Fund Servicing Debt</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment Varies Between</u>	<u>Outstanding Balance June 30, 2008</u>
Street Improvement - 2003 Series	Debt	May 1, 2028	3.0-5.0%	\$160,000-\$760,000	\$ 10,440,000
Street Improvement - 2006 Series	Debt	May 1, 2030	4.0-5.0%	\$150,000-\$800,000	10,925,000
Street Improvement - Refunding Bond 2003 Series	Debt	May 1, 2012	2.75-3.5%	\$830,000-\$1,385,000	<u>4,440,000</u>
Total General Obligation Debt					<u>\$ 25,805,000</u>

The following amounts are due within one year:

Street Improvement - 2003 Series	\$ 160,000
Street Improvement - 2006 Series	150,000
Street Improvement – Refunding Bond - 2003 Series	<u>1,385,000</u>
Sub-Total	1,695,000
Accumulated Compensated Absences	<u>30,723</u>
Total	<u>\$ 1,725,723</u>

Debt service requirements:

<u>Year Ended</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
6/30/09	\$ 2,766,136	\$ 1,695,000	\$ 1,071,136
6/30/10	2,722,248	1,700,000	1,022,248
6/30/11	2,264,003	1,295,000	969,003
6/30/12	2,294,753	1,370,000	924,753
6/30/13	1,684,278	810,000	874,278
6/30/14 to 6/30/2018	8,450,910	4,595,000	3,855,910
6/30/19 to 6/30/2023	8,484,927	5,685,000	2,799,927
6/30/24 to 6/30/2028	8,432,402	7,055,000	1,377,402
6/30/29 to 6/30/2030	<u>1,720,000</u>	<u>1,600,000</u>	<u>120,000</u>
	<u>\$ 38,819,657</u>	<u>\$ 25,805,000</u>	<u>\$ 13,014,657</u>

All general obligation contract and bonded debt is supported by the City's full faith and credit.

Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

17. LONG-TERM DEBT (Continued)

In Fiscal Year 2002-2003 the City issued two general obligation bonds totaling \$23,375,000 for the construction of streets and refunding of 1993 refunding bonds.

In November of 2002 the voters approved a millage for the construction of streets and parking lots allowing the City to issue debt in the amount of \$22.5 million. In May of 2003 the City borrowed \$11.5 million as the first phase of a six-year rebuilding program. In May of 2006 the City borrowed \$11 million as the second phase of this rebuilding program.

On June 30, 2002 the City had \$12.915 million outstanding debt from the 1993 Refunding Bonds. In May of 2003 these bonds were redeemed to take advantage of favorable interest rates. The 2003 Refunding Bonds in the amount of \$11.875 million were issued to replace these bonds.

REVENUE BONDS

<u>Bonds, Contracts and Notes Payable</u>	<u>Fund Servicing Debt</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment Varies Between</u>	<u>Outstanding Balance June 30, 2008</u>
Water revenue bonds	Water	May 1, 2013	5.00%	\$320,000-\$385,000	\$ 1,760,000

LIMITED TAX GENERAL OBLIGATION BONDS

George W. Kuhn Drain Bonds	Water	April 1, 2026	1.625% -5.375%	\$12,128-\$1,002,560	<u>13,459,483</u>
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Total Revenue Bond Debt	<u>\$15,219,483</u>
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The following amounts are due within one year:

2004 Water Revenue Bonds	\$ 320,000
George W. Kuhn Drain – Series A	109,150
George W. Kuhn Drain – Series B	37,057
George W. Kuhn Drain – Series C	478,372
George W. Kuhn Drain – Series D	18,865
George W. Kuhn Drain – Series E	50,532
George W. Kuhn Drain – Series 2005F	9,433
George W. Kuhn Drain – Series 2007Ref	8,759
George W. Kuhn Drain – Series 2007G	<u>10,267</u>
Sub-total	1,042,435
Accumulated Compensated Absences	<u>12,952</u>
Total	<u>\$ 1,055,387</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

17. LONG-TERM DEBT (Continued)

Debt Service requirements:

<u>Year Ended</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
6/30/09	\$ 408,000	\$ 320,000	\$ 88,000
6/30/10	407,000	335,000	72,000
6/30/11	405,250	350,000	55,250
6/30/12	407,750	370,000	37,750
6/30/13	<u>404,250</u>	<u>385,000</u>	<u>19,250</u>
Subtotal	2,032,250	1,760,000	272,250
George W. Kuhn Drain	<u>13,459,483</u>	<u>13,459,483</u>	<u>Not Available</u>
	<u>\$15,491,733</u>	<u>\$15,219,483</u>	<u>\$ 272,250</u>

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through sale of drain bonds, draw downs from the State of Michigan revolving fund, Federal and State of Michigan grants and contributions from Oakland County, Michigan. The City along with thirteen other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately \$15.6 million with an interest rate ranging from 1.625% to 5.375%. As of June 30, 2008 the City's obligation is \$13.460 million and incurred interest expense of \$369,206 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the State of Michigan revolving fund are being incurred on as an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

The water revenue bonds are not a general obligation or indebtedness of the City but are payable solely from the net revenues of the Water Supply System Fund. As additional security, the City has signed a Revenue Sharing Pledge Agreement.

On June 30, 2003 the city had \$3.175 million outstanding debt from the 1992 Refunding Bonds. In March of 2004 these bonds were redeemed to take advantage of favorable interest rates. The 2004 Refunding Bonds in the amount of \$2.945 million were issued to replace these bonds.

18. DEFEASANCE OF DEBT

During the Fiscal Year ended June 30, 2003 the City issued \$11,875,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments on \$12,230,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by \$1,276,703, which resulted in an economic

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

18. DEFEASANCE OF DEBT (continued)

gain of \$1,028,752. On June 30, 2008 \$4,440,000 remained outstanding.

During the Fiscal Year ended June 30, 2004 the City issued \$2,945,000 of revenue bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments on \$3,175,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by \$505,186 which resulted in an economic gain of \$430,028. On June 30, 2008 \$1,760,000 remained outstanding.

19. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS IN AND OUT

Individual fund receivable and payable balances at June 30, 2008 are shown below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 97,472	\$ -
Non-major Governmental Funds	<u>-</u>	<u>97,472</u>
Total	<u>\$ 97,472</u>	<u>\$ 97,472</u>

The interfund balance is due to the CDBG Fund (\$31,572) and the City Owned Property Fund (\$65,900). Community Development Block Grant is a reimbursement type grant where funds must be expended before they are reimbursed, creating an interfund balance. The City Owned Property Fund accounts for the costs of taking tax reverted property and returning it to the tax roles. An interfund balance will remain until property is sold.

Interfund transfers for the year ended June 30, 2008 include:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 260,000	\$ 1,914,422
Major Street Fund	-	256,349
Solid Waste Fund	-	310,000
Non-Major Governmental Funds	2,170,771	-
Enterprise Funds:		
Water & Sewer Fund	<u>50,000</u>	<u>-</u>
Total	<u>\$2,480,771</u>	<u>\$2,480,771</u>

An amount was transferred from the General Fund (\$1,914,422) to the District Court

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

19. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS IN AND OUT (continued)

Fund to cover expenditures in the court above those funded by revenues. The City is allowed to transfer up to 25% of funds received under Act 51 in the Major Street Fund to the Local Street Fund. An amount was transferred from the Major Street Fund (\$256,349) to the Local Street Fund to cover expenditures. An amount was transferred from the Solid Waste Fund (\$310,000) to reimburse the General Fund (\$260,000) and Water & Sewer Fund (\$50,000) for services rendered.

20. FUND BALANCE

A detailed listing of fund balances for reserved and unreserved balances is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Reserved:					
Reserved for Debt Service	\$ -	\$ -	\$ 643,161	\$ -	\$ 643,161
Reserved for Future Capital Improvements	-	-	-	4,497,353	4,497,353
Reserved for Prepaid Expenditures	<u>114,609</u>	<u>20,405</u>	<u>-</u>	<u>454</u>	<u>135,468</u>
Total reserved	\$ 114,609	\$ 20,405	\$ 643,161	\$ 4,497,807	\$ 5,275,982
Unreserved:					
Undesignated	<u>1,784,828</u>	<u>1,260,199</u>	<u>-</u>	<u>-</u>	<u>3,045,027</u>
TOTAL FUND BALANCE	<u>\$1,899,437</u>	<u>\$1,280,604</u>	<u>\$ 643,161</u>	<u>\$ 4,497,807</u>	<u>\$ 8,321,009</u>

21. COMPONENT UNIT AND FUND DEFICIT

As of June 30, 2008 the Brownfield Authority, a component unit of the City, had a fund deficit of \$205 as a result of expenditures made prior to taxes being captured. These expenditures will be reimbursed in the next fiscal year eliminating the deficit.

As of June 30, 2008 the City Owned Property Fund had a fund deficit of \$65,900. This fund accounts for the costs of taking tax reverted property and returning it to the tax rolls. The deficit will be removed when the property is sold.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

22. SUMMARY OF DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

Pursuant to the General Property Tax Laws of the State of Michigan, the City receives revenues from property taxes levied against real and personal property located in the City. A number of entities owning property within the City have appealed their assessments to the Michigan Tax Tribunal. Although a reduction by the Tax Tribunal of any such assessments would result in a liability for the City to refund some taxes which have been collected, management believes a contingent liability for such refunds would not be significant to the financial statements.

There are several pending lawsuits in which the City is involved. The City Attorney estimates that potential claims against the City being defended by attorneys appointed by liability insurance carriers would not materially affect the operations or financial condition of the City. The City Attorney estimates, that while possible, it is not probable that the City will receive unfavorable rulings in the other lawsuits.

CITY OF OAK PARK

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2008

DEFINED BENEFIT PENSION PLAN

Trend Information

Schedule of Funding Progress (\$ in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Level Fund</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
06/30/2007	\$ 63,631	\$ 85,262	\$ 21,631	74.6%	\$ 9,887	218 %
06/30/2006	60,994	85,695	24,701	71.2%	9,552	258
06/30/2005	60,661	81,957	21,296	74.0%	9,448	225
06/30/2004	64,471	79,379	14,908	81.2%	8,875	168
06/30/2003	71,367	77,576	6,209	92.0%	8,872	70
06/30/2002	77,078	74,827	(2,251)	103.0%	9,146	(25)

Schedule of Employer Contributions (\$ in thousands)

<u>Fiscal Year</u>	<u>Contribution Rates as % of Valuation Payroll</u>	<u>Annual Required Contribution</u>	<u>Actual Annual Contribution</u>	<u>Percent of Required Contribution</u>
06/30/2007	44.52%	\$ 4,402	\$ 4,402	100
06/30/2006	38.99	3,725	3,725	100
06/30/2005	26.25	2,507	2,507	100
06/30/2004	14.24	1,264	1,264	100
06/30/2003	9.37	831	831	100
06/30/2002	7.54	690	690	100

OTHER POSTEMPLOYMENT BENEFITS PLAN

Trend Information

Schedule of Funding Progress (\$ in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Level Fund</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
06/30/2007	\$ 484	\$ 76,803	\$ 76,319	1.0%	\$ 8,918	860 %

**CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL</u>
Cash and cash equivalents	\$ 242,336	\$ 542,780	\$ 314,225	\$ 1,099,341
Investments	111,399	74,687	154,462	340,548
Taxes receivable	-	83,452	-	83,452
Special assessments receivable	-	-	28,746	28,746
Accounts receivable	55,319	-	-	55,319
Accrued interest receivable	1,218	-	1,205	2,423
Due from other governmental units	38,555	-	-	38,555
Due from State	36,233	-	-	36,233
Due from other funds	-	-	-	-
Prepaid expenditures	17,938	-	-	17,938
Restricted assets:				
Cash and cash equivalents	93,800	-	-	93,800
<u>TOTAL ASSETS</u>	<u>\$ 596,798</u>	<u>\$ 700,919</u>	<u>498,638</u>	<u>\$ 1,796,355</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 119,417	\$ -	\$ 15,839	\$ 135,256
Accounts payable from restricted assets	93,800	-	-	93,800
Accrued and other liabilities	57,192	-	-	57,192
Due to other funds	31,572	-	65,900	97,472
Deferred revenue	5,829	57,758	-	63,587
 TOTAL LIABILITIES	 307,810	 57,758	 81,739	 447,307
FUND BALANCES				
Reserved for debt service	-	643,161	-	643,161
Reserved for capital projects	-	-	416,899	416,899
Reserved for prepaid expenditures	17,938	-	-	17,938
Unreserved	271,050	-	-	271,050
 TOTAL FUND BALANCES	 288,988	 643,161	 416,899	 1,349,048
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 596,798</u>	 <u>\$ 700,919</u>	 <u>\$ 498,638</u>	 <u>\$ 1,796,355</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2008**

	CRIMINAL			
	LOCAL	NARCOTICS	JUSTICE	DISASTER
	STREET	FORFEITURE	TRAINING	CONTINGENCY
<u>ASSETS</u>				
Cash and cash equivalents	\$ 20,980	\$ 42,927	\$ 5,302	\$ 2,308
Investments	10,313	21,101	2,606	1,134
Accounts receivable	-	-	-	-
Accrued interest receivable	214	183	22	10
Due from other governmental units	-	-	-	-
Due from State	36,233	-	-	-
Due from other funds	-	-	-	-
Prepaid expenditures	2,356	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 70,096</u>	<u>\$ 64,211</u>	<u>\$ 7,930</u>	<u>\$ 3,452</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 5,816	\$ -	\$ 1,500	\$ -
Accounts payable from restricted assets	-	-	-	-
Accrued and other liabilities	5,460	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	5,829	-	-
<u>TOTAL LIABILITIES</u>	<u>11,276</u>	<u>5,829</u>	<u>1,500</u>	<u>-</u>
FUND BALANCES				
Reserved:				
Prepaid expenditures	2,356	-	-	-
Unreserved	56,464	58,382	6,430	3,452
<u>TOTAL FUND BALANCES</u>	<u>58,820</u>	<u>58,382</u>	<u>6,430</u>	<u>3,452</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 70,096</u>	<u>\$ 64,211</u>	<u>\$ 7,930</u>	<u>\$ 3,452</u>

COMMUNITY DEVELOPMENT BLOCK GRANT	PROJECT IMPACT PROGRAM	P.U.S.H. PROGRAM	CASEFLOW ASSISTANCE FUND	45-B DISTRICT COURT	TOTAL
\$ -	\$ 12,035	\$ -	\$ 56,255	\$ 102,529	\$ 242,336
-	5,916	-	27,652	42,677	111,399
-	-	-	-	55,319	55,319
-	51	-	240	498	1,218
38,555	-	-	-	-	38,555
-	-	-	-	-	36,233
-	-	-	-	-	-
827	-	-	-	14,755	17,938
-	-	-	-	93,800	93,800
\$ 39,382	\$ 18,002	\$ -	\$ 84,147	\$ 309,578	\$ 596,798
\$ 6,332	\$ -	\$ -	\$ -	\$ 105,769	\$ 119,417
-	-	-	-	93,800	93,800
1,478	-	-	-	50,254	57,192
31,572	-	-	-	-	31,572
-	-	-	-	-	5,829
39,382	-	-	-	249,823	307,810
827	-	-	-	14,755	17,938
(827)	18,002	-	84,147	45,000	271,050
-	18,002	-	84,147	59,755	288,988
\$ 39,382	\$ 18,002	\$ -	\$ 84,147	\$ 309,578	\$ 596,798

**CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
JUNE 30, 2008**

	2003 STREET IMPROVEMENT BOND	2003 STREET REFUNDING BOND	2006 STREET IMPROVEMENT BOND	MUNICIPAL BUILDING AUTHORITY	TOTAL
<u>ASSETS</u>					
Cash and cash equivalents	\$ 340,941	\$ 137,881	\$ 54,364	\$ 9,594	\$ 542,780
Investments	16,473	42,397	15,780	37	74,687
Taxes receivable	42,824	31,809	8,819	-	83,452
<u>TOTAL ASSETS</u>	<u>\$ 400,238</u>	<u>\$ 212,087</u>	<u>\$ 78,963</u>	<u>\$ 9,631</u>	<u>\$ 700,919</u>
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	-
Deferred revenue	37,009	16,938	3,811	-	57,758
TOTAL LIABILITIES	37,009	16,938	3,811	-	57,758
FUND BALANCES					
Reserved for Debt Service	363,229	195,149	75,152	9,631	643,161
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 400,238</u>	<u>\$ 212,087</u>	<u>\$ 78,963</u>	<u>\$ 9,631</u>	<u>\$ 700,919</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
JUNE 30, 2008**

	PUBLIC	CITY OWNED	SIDEWALK	MUNICIPAL	
	IMPROVEMENT	PROPERTY	PROGRAM	BUILDING	TOTAL
				CONSTRUCTION	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 34,831	\$ -	\$ 31,660	\$ 247,734	\$ 314,225
Investments	17,122	-	15,563	121,777	154,462
Special assessments receivable	-	-	28,746	-	28,746
Accrued interest receivable	149	-	-	1,056	1,205
<u>TOTAL ASSETS</u>	<u>\$ 52,102</u>	<u>\$ -</u>	<u>\$ 75,969</u>	<u>\$ 370,567</u>	<u>\$ 498,638</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ 4,585	\$ 11,254	\$ 15,839
Due to other funds	-	65,900	-	-	65,900
<u>TOTAL LIABILITIES</u>	<u>-</u>	<u>65,900</u>	<u>4,585</u>	<u>11,254</u>	<u>81,739</u>
<u>FUND BALANCES</u>					
Reserved for capital improvements	52,102	(65,900)	71,384	359,313	416,899
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 52,102</u>	<u>\$ -</u>	<u>\$ 75,969</u>	<u>\$ 370,567</u>	<u>\$ 498,638</u>

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
and CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL
REVENUES				
Property taxes	\$ -	\$ 2,844,937	\$ -	\$ 2,844,937
Special assessments	-	-	70,423	70,423
Intergovernmental revenue:				
Federal grants	125,365	-	-	125,365
State grants	510,558	-	-	510,558
Other grants	26,738	-	-	26,738
Charges for services	198,852	-	-	198,852
Fines and forfeitures	15,309	-	176,049	191,358
Interest	18,224	91,195	21,319	130,738
TOTAL REVENUE	895,046	2,936,132	267,791	4,098,969
EXPENDITURES				
Current:				
Judicial	2,227,873	-	-	2,227,873
Public safety	31,376	-	-	31,376
Road maintenance and repair	705,628	-	-	705,628
Public works	-	-	23,468	23,468
Community enrichment and development	145,032	-	55,127	200,159
Debt service:				
Principal	-	1,670,000	-	1,670,000
Interest	-	1,116,121	-	1,116,121
Prior year tax refunds	-	519	-	519
Capital outlay	-	-	118,119	118,119
TOTAL EXPENDITURES	3,109,909	2,786,640	196,714	6,093,263
REVENUES OVER (UNDER) EXPENDITURES	(2,214,863)	149,492	71,077	(1,994,294)
OTHER FINANCING SOURCES				
Transfers in	2,170,771	-	-	2,170,771
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,170,771	-	-	2,170,771
 Net change in fund balances	 (44,092)	 149,492	 71,077	 176,477
 FUND BALANCES, BEGINNING OF YEAR	 333,080	 493,669	 345,822	 1,172,571
 FUND BALANCES, END OF YEAR	 \$ 288,988	 \$ 643,161	 \$ 416,899	 \$ 1,349,048

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	LOCAL STREET	NARCOTICS FORFEITURE	CRIMINAL JUSTICE TRAINING	DISASTER CONTINGENCY
REVENUES				
Intergovernmental revenue:				
Federal grants	\$ -	\$ -	\$ -	\$ -
State grants	404,057	-	15,053	-
Other grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	15,309	-	-
Interest	3,655	3,480	435	150
TOTAL REVENUE	407,712	18,789	15,488	150
EXPENDITURES				
Current:				
Judicial	-	-	-	-
Public safety	-	13,620	17,756	-
Road maintenance and repair	705,628	-	-	-
Community enrichment and development	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	705,628	13,620	17,756	-
REVENUES OVER (UNDER) EXPENDITURES	(297,916)	5,169	(2,268)	150
OTHER FINANCING SOURCES				
Transfers in	256,349	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES	256,349	-	-	-
NET CHANGE IN FUND BALANCES	(41,567)	5,169	(2,268)	150
FUND BALANCES, BEGINNING OF YEAR	100,387	53,213	8,698	3,302
FUND BALANCES, END OF YEAR	\$ 58,820	\$ 58,382	\$ 6,430	\$ 3,452

COMMUNITY DEVELOPMENT BLOCK GRANT	PROJECT IMPACT PROGRAM	P.U.S.H. PROGRAM	CASEFLOW ASSISTANCE FUND	45-B DISTRICT COURT	TOTAL
\$ 125,365	\$ -	\$ -	\$ -	\$ -	\$ 125,365
-	-	-	-	91,448	510,558
-	-	-	26,738	-	26,738
-	-	-	-	198,852	198,852
-	-	-	-	-	15,309
-	51	3	2,777	7,673	18,224
125,365	51	3	29,515	297,973	895,046
-	-	-	-	2,227,873	2,227,873
-	-	-	-	-	31,376
-	-	-	-	-	705,628
125,365	18,728	939	-	-	145,032
-	-	-	-	-	-
125,365	18,728	939	-	2,227,873	3,109,909
-	(18,677)	(936)	29,515	(1,929,900)	(2,214,863)
-	-	-	-	1,914,422	2,170,771
-	-	-	-	-	-
-	-	-	-	1,914,422	2,170,771
-	(18,677)	(936)	29,515	(15,478)	(44,092)
-	36,679	936	54,632	75,233	333,080
\$ -	\$ 18,002	\$ -	\$ 84,147	\$ 59,755	\$ 288,988

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	2003 STREET IMPROVEMENT BOND	2003 STREET REFUNDING BOND	2006 STREET IMPROVEMENT BOND	MUNICIPAL BUILDING AUTHORITY	TOTAL
REVENUES					
Property taxes	\$ 623,060	\$ 1,635,633	\$ 586,244	\$ -	\$ 2,844,937
Interest income	26,214	53,197	11,488	296	91,195
TOTAL REVENUES	649,274	1,688,830	597,732	296	2,936,132
EXPENDITURES					
Debt service:					
Principal	155,000	1,440,000	75,000	-	1,670,000
Interest and charges	455,830	173,224	487,067	-	1,116,121
Prior year tax refund	-	-	519	-	519
TOTAL EXPENDITURES	610,830	1,613,224	562,586	-	2,786,640
REVENUES OVER (UNDER) EXPENDITURES	38,444	75,606	35,146	296	149,492
FUND BALANCES, BEGINNING OF YEAR	324,785	119,543	40,006	9,335	493,669
FUND BALANCES, END OF YEAR	\$ 363,229	\$ 195,149	\$ 75,152	\$ 9,631	\$ 643,161

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	PUBLIC	CITY OWNED	SIDEWALK	MUNICIPAL	
	IMPROVEMENT	PROPERTY	PROGRAM	BUILDING	TOTAL
				CONSTRUCTION	
REVENUE					
Special assessments	\$ -	\$ -	\$ 70,423	\$ -	\$ 70,423
Fines and forfeitures	-	-	-	176,049	176,049
Interest income	2,272	-	4,664	14,383	21,319
TOTAL REVENUES	2,272	-	75,087	190,432	267,791
EXPENDITURES					
Public works	-	-	23,468	-	23,468
Community development	-	22,926	-	32,201	55,127
Capital outlay	-	-	-	118,119	118,119
TOTAL EXPENDITURES	-	22,926	23,468	150,320	196,714
REVENUES OVER (UNDER) EXPENDITURES	2,272	(22,926)	51,619	40,112	71,077
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	-
NET CHANGE IN FUND BALANCES	2,272	(22,926)	51,619	40,112	71,077
FUND BALANCES, BEGINNING OF YEAR	49,830	(42,974)	19,765	319,201	345,822
FUND BALANCES, END OF YEAR	\$ 52,102	\$ (65,900)	\$ 71,384	\$ 359,313	\$ 416,899

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - LOCAL STREET FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ 170,596	\$ 100,387	\$ 100,387	\$ -
Resources (inflows):				
State Grants - Streets	420,346	420,346	404,057	(16,289)
Interest Income & Other	6,000	6,000	3,655	(2,345)
Transfer-In	<u>300,000</u>	<u>300,000</u>	<u>256,349</u>	<u>(43,651)</u>
Amounts available for appropriation	<u>896,942</u>	<u>826,733</u>	<u>764,448</u>	<u>(62,285)</u>
Charges to appropriation (outflows):				
Road Maintenance & Repair	614,667	696,800	705,628	(8,828)
Capital Outlay - Roads	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges To Appropriations	<u>614,667</u>	<u>696,800</u>	<u>705,628</u>	<u>(8,828)</u>
Budgetary fund balance, June 30	<u>\$ 282,275</u>	<u>\$ 129,933</u>	<u>\$ 58,820</u>	<u>\$ (71,113)</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - NARCOTICS FORFEITURE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 35,498	\$ 53,213	\$ 53,213	\$ -
Resources (inflows):				
Fines and Forfeitures	20,500	35,000	15,309	(19,691)
Interest Income & Other	1,200	1,950	3,480	1,530
Amounts available for appropriation	57,198	90,163	72,002	(18,161)
Charges to appropriation (outflows):				
Public Safety	15,000	14,000	13,620	380
Budgetary fund balance, June 30	\$ 42,198	\$ 76,163	\$ 58,382	\$ (17,781)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CRIMINAL JUSTICE TRAINING FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 1,643	\$ 8,698	\$ 8,698	\$ -
Resources (inflows):				
State Grants	15,000	15,000	15,053	53
Interest Income	200	300	435	135
Amounts available for appropriation	16,843	23,998	24,186	188
Charges to appropriation (outflows):				
Public Safety	15,000	15,000	17,756	(2,756)
 Budgetary fund balance, June 30	 \$ 1,843	 \$ 8,998	 \$ 6,430	 \$ (2,568)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - DISASTER CONTINGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Budgetary fund balance, July 1	\$ 3,178	\$ 3,302	\$ 3,302	\$ -
Resources (inflows):				
Interest Income	<u>60</u>	<u>60</u>	<u>150</u>	<u>90</u>
Amounts available for appropriation	<u>3,238</u>	<u>3,362</u>	<u>3,452</u>	<u>90</u>
 Budgetary fund balance, June 30	 <u>\$ 3,238</u>	 <u>\$ 3,362</u>	 <u>\$ 3,452</u>	 <u>\$ 90</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Grants	133,358	133,358	125,365	(7,993)
Charges for Services	-	-	-	-
Amounts available for appropriation	133,358	133,358	125,365	(7,993)
Charges to appropriation (outflows):				
Community Enrichment and Development	133,358	133,358	125,365	7,993
 Budgetary fund balance, June 30	 \$ -	 \$ -	 \$ -	 \$ -

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - PROJECT IMPACT PROGRAM
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ -	\$ 36,679	\$ 36,679	\$ -
Resources (inflows):				
Federal Grants	-	-	-	-
Interest Income & Other	-	-	51	51
Transfer In	-	-	-	-
Amounts available for appropriation	-	36,679	36,730	51
Charges to appropriation (outflows):				
Community Enrichment and Development	-	12,838	18,728	(5,890)
Budgetary fund balance, June 30	\$ -	\$ 23,841	\$ 18,002	\$ (5,839)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - P.U.S.H. PROGRAM GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ 936	\$ 936
Resources (inflows):				
Interest Income & Other	-	-	3	3
Amounts available for appropriation	-	-	939	939
Charges to appropriation (outflows):				
Community Enrichment and Development	-	-	939	(939)
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CASEFLOW ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 46,593	\$ 54,632	\$ 54,632	\$ -
Resources (inflows):				
State Grants	18,500	21,000	26,738	5,738
Interest Income	875	1,200	2,777	1,577
Amounts available for appropriation	65,968	76,832	84,147	7,315
Charges to appropriation (outflows):				
Judicial	-	-	-	-
 Budgetary fund balance, June 30	 \$ 65,968	 \$ 76,832	 \$ 84,147	 \$ 7,315

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - DISTRICT COURT 45B FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ 45,000	\$ 75,233	\$ 75,233	\$ -
Resources (inflows):				
State Grants	\$ 91,448	\$ 91,448	\$ 91,448	\$ -
Charges for services	265,000	207,000	198,852	(8,148)
Interest and other	<u>4,000</u>	<u>4,000</u>	<u>7,673</u>	<u>3,673</u>
Amounts available for appropriation	405,448	377,681	373,206	(4,475)
Charges to appropriation (outflows):				
Judicial services	<u>2,254,189</u>	<u>2,253,952</u>	<u>2,227,873</u>	<u>26,079</u>
REVENUES UNDER EXPENDITURES	<u>(1,848,741)</u>	<u>(1,876,271)</u>	<u>(1,854,667)</u>	<u>21,604</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,893,741</u>	<u>1,951,504</u>	<u>1,914,422</u>	<u>(37,082)</u>
Budgetary fund balance, June 30	<u>\$ 45,000</u>	<u>\$ 75,233</u>	<u>\$ 59,755</u>	<u>\$ (15,478)</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - 2003 ST. IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 300,540	\$ 324,785	\$ 324,785	\$ -
Resources (inflows):				
Property taxes	622,577	622,000	623,060	1,060
Interest income	<u>3,003</u>	<u>12,000</u>	<u>26,214</u>	<u>14,214</u>
Amounts available for appropriation	<u>926,120</u>	<u>958,785</u>	<u>974,059</u>	<u>15,274</u>
Charges to appropriation (outflows):				
Principal	155,000	155,000	155,000	-
Interest and Other	<u>470,580</u>	<u>460,580</u>	<u>455,830</u>	<u>4,750</u>
Total Charges To Appropriations	<u>625,580</u>	<u>615,580</u>	<u>610,830</u>	<u>4,750</u>
Budgetary fund balance, June 30	<u>\$ 300,540</u>	<u>\$ 343,205</u>	<u>\$ 363,229</u>	<u>\$ 20,024</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - 2003 ST. REFUNDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ 92,680	\$ 119,543	\$ 119,543	\$ -
Resources (inflows):				
Property taxes	1,636,009	1,630,000	1,635,633	5,633
Interest income	<u>2,129</u>	<u>8,000</u>	<u>53,197</u>	<u>45,197</u>
Amounts available for appropriation	<u>1,730,818</u>	<u>1,757,543</u>	<u>1,808,373</u>	<u>50,830</u>
Charges to appropriation (outflows):				
Principal	1,440,000	1,440,000	1,440,000	-
Interest and Other	<u>198,138</u>	<u>182,138</u>	<u>173,224</u>	<u>8,914</u>
Total Charges To Appropriations	<u>1,638,138</u>	<u>1,622,138</u>	<u>1,613,224</u>	<u>8,914</u>
Budgetary fund balance, June 30	<u>\$ 92,680</u>	<u>\$ 135,405</u>	<u>\$ 195,149</u>	<u>\$ 59,744</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - 2006 ST. IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 26,342	\$ 40,006	\$ 40,006	\$ -
Resources (inflows):				
Property taxes	573,238	590,000	586,244	(3,756)
Interest income	330	10,000	11,488	1,488
Amounts available for appropriation	<u>599,910</u>	<u>640,006</u>	<u>637,738</u>	<u>(2,268)</u>
Charges to appropriation (outflows):				
Principal	75,000	75,000	75,000	-
Interest and Other	<u>498,568</u>	<u>492,068</u>	<u>487,586</u>	<u>4,482</u>
Total Charges To Appropriations	<u>573,568</u>	<u>567,068</u>	<u>562,586</u>	<u>4,482</u>
Budgetary fund balance, June 30	<u>\$ 26,342</u>	<u>\$ 72,938</u>	<u>\$ 75,152</u>	<u>\$ 2,214</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - PUBLIC IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ 48,059	\$ 49,830	\$ 49,830	\$ -
Resources (inflows):				
Interest income	<u>1,000</u>	<u>1,600</u>	<u>2,272</u>	<u>672</u>
Amounts available for appropriation	<u>49,059</u>	<u>51,430</u>	<u>52,102</u>	<u>672</u>
Budgetary fund balance, June 30	<u>\$ 49,059</u>	<u>\$ 51,430</u>	<u>\$ 52,102</u>	<u>\$ 672</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CITY OWNED PROPERTY
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ 15,000	\$ (42,974)	\$ (42,974)	\$ -
Resources (inflows):				
Sale of Property	-	79,000	-	(79,000)
Amounts available for appropriation	15,000	36,026	(42,974)	(79,000)
Charges to appropriation (outflows):				
Community Enrichment and Development	-	23,452	22,926	526
Total Charges To Appropriations	-	23,452	22,926	526
 Budgetary fund balance, June 30	 \$ 15,000	 \$ 12,574	 \$ (65,900)	 \$ (78,474)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - SIDEWALK PROGRAM
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 51,992	\$ 19,765	\$ 19,765	\$ -
Resources (inflows):				
Charges for Services	10,000	59,500	70,423	10,923
Interest income	<u>2,000</u>	<u>6,000</u>	<u>4,664</u>	<u>(1,336)</u>
Amounts available for appropriation	<u>63,992</u>	<u>85,265</u>	<u>94,852</u>	<u>9,587</u>
Charges to appropriation (outflows):				
Public Works	10,000	20,000	23,468	(3,468)
Capital Projects - Sidewalks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges To Appropriations	<u>10,000</u>	<u>20,000</u>	<u>23,468</u>	<u>(3,468)</u>
Budgetary fund balance, June 30	<u><u>\$ 53,992</u></u>	<u><u>\$ 65,265</u></u>	<u><u>\$ 71,384</u></u>	<u><u>\$ 6,119</u></u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - MUNICIPAL BUILDING CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balance, July 1	\$ 295,182	\$ 319,201	\$ 319,201	\$ -
Resources (inflows):				
Ordinance Fines	150,000	150,000	176,049	26,049
Interest income	<u>4,000</u>	<u>6,000</u>	<u>14,383</u>	<u>8,383</u>
Amounts available for appropriation	<u>449,182</u>	<u>475,201</u>	<u>509,633</u>	<u>34,432</u>
Charges to appropriation (outflows):				
Community Enrichment and Development	-	-	32,201	(32,201)
Capital Outlay	<u>140,000</u>	<u>140,000</u>	<u>118,119</u>	<u>21,881</u>
Total Charges To Appropriations	<u>140,000</u>	<u>140,000</u>	<u>150,320</u>	<u>(10,320)</u>
Budgetary fund balance, June 30	<u>\$ 309,182</u>	<u>\$ 335,201</u>	<u>\$ 359,313</u>	<u>\$ 24,112</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - ROAD CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 6,251,085	\$ 8,680,291	\$ 8,680,291	\$ -
Resources (inflows):				
Bond Proceeds	-	-	-	
Interest income	240,000	170,000	224,119	54,119
Amounts available for appropriation	6,491,085	8,850,291	8,904,410	54,119
Charges to appropriation (outflows):				
Road Maintenance & Repair	26,293	-	3,684	(3,684)
Capital Outlay - Roads	4,272,906	6,603,143	4,819,818	1,783,325
Total Charges To Appropriations	4,299,199	6,603,143	4,823,502	1,779,641
Budgetary fund balance, June 30	<u>\$ 2,191,886</u>	<u>\$ 2,247,148</u>	<u>\$ 4,080,908</u>	<u>\$ 1,833,760</u>

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2008

		RISK	CENTRAL		RETIREES	RETIREES	
		MANAGEMENT	SERVICES	MOTOR POOL	HEALTH CARE	HEALTH CARE	TOTAL
					COURT	GENERAL	
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$	75,548	\$ 28,643	\$ 266,518	\$ 94,178	\$ 59,458	\$ 524,345
Investments		37,137	14,080	131,010	46,295	354,317	582,839
Receivables (net)		322	122	1,136	404	253	2,237
Prepaid expenses		89,593	-	1,403	-	-	90,996
Total current assets		202,600	42,845	400,067	140,877	414,028	1,200,417
Noncurrent assets:							
Capital assets:							
Depreciable buildings, property, and equipment, net		-	-	1,692,018	-	-	1,692,018
Total assets	\$	202,600	\$ 42,845	\$ 2,092,085	\$ 140,877	\$ 414,028	\$ 2,892,435
LIABILITIES							
Current liabilities:							
Accounts payable	\$	-	\$ 3,814	\$ 44,107	\$ -	\$ -	\$ 47,921
Accrued and other liabilities		74,000	-	27,559	-	-	101,559
Total liabilities		74,000	3,814	71,666	-	-	149,480
NET ASSETS							
Invested in capital assets		-	-	1,692,018	-	-	1,692,018
Unrestricted		128,600	39,031	328,401	140,877	414,028	1,050,937
Total net assets		128,600	39,031	2,020,419	140,877	414,028	2,742,955
Total liabilities and net assets	\$	202,600	\$ 42,845	\$ 2,092,085	\$ 140,877	\$ 414,028	\$ 2,892,435

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	RETIREES HEALTH CARE GENERAL	TOTAL
Operating revenues:						
Charges for services	\$ 582,594	\$ 54,000	\$ 899,040	\$ 37,407	\$ -	\$ 1,573,041
Fines and forfeits	-	-	-	129,493	-	129,493
Miscellaneous	41,031	-	-	-	-	41,031
Total operating revenues	623,625	54,000	899,040	166,900	-	1,743,565
Operating expenses:						
Gas purchases	-	-	193,977	-	-	193,977
Professional services	-	11,046	2,739	-	13,000	26,785
Supplies	-	2,800	286,936	-	-	289,736
Postage	-	50,156	-	-	-	50,156
Depreciation	-	1,657	306,024	-	-	307,681
Wages and benefits	-	-	242,257	-	-	242,257
Insurance payments	694,860	-	-	192,174	-	887,034
Other	1,116	360	56	-	-	1,532
Total operating expenses	695,976	66,019	1,031,989	192,174	13,000	1,999,158
Operating income (loss)	(72,351)	(12,019)	(132,949)	(25,274)	(13,000)	(255,593)
Nonoperating revenues (expenses):						
Interest and investment revenues	1,920	1,622	13,699	6,792	4,244	28,277
Unrealized gain on investments	-	-	-	-	(49,212)	(49,212)
Gain on disposal of capital assets	-	-	27,285	-	-	27,285
Total nonoperating revenues (expenses):	1,920	1,622	40,984	6,792	(44,968)	6,350
Income (loss)	(70,431)	(10,397)	(91,965)	(18,482)	(57,968)	(249,243)
Total net assets - beginning	199,031	49,428	2,112,384	159,359	471,996	2,992,198
Total net assets - ending	\$ 128,600	\$ 39,031	\$ 2,020,419	\$ 140,877	\$ 414,028	\$ 2,742,955

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	RETIREES HEALTH CARE GENERAL	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from interfund services provided	\$ 582,594	\$ 54,000	\$ 899,040	\$ 37,407	\$ -	\$ 1,573,041
Payments to suppliers	(701,642)	(63,713)	(489,413)	(174,220)	(13,000)	(1,441,988)
Payments to employees	-	-	(242,257)	-	-	(242,257)
Claims paid	-	-	-	-	-	-
Other receipts (payments)	41,666	136	3,362	129,804	241	175,209
Net cash provided (used) by operating activities	(77,382)	(9,577)	170,732	(7,009)	(12,759)	64,005
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	(699,783)	-	-	(699,783)
Disposal of capital assets	-	-	27,285	-	-	27,285
Net cash (used) by capital and related financing activities	-	-	(672,498)	-	-	(672,498)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	51,693	9,847	287,105	20,129	16,663	385,437
Interest and dividends	1,920	1,622	13,699	6,792	4,244	28,277
Net cash provided (used) by investing activities	53,613	11,469	300,804	26,921	20,907	413,714
Net increase (decrease) in cash and cash equivalents	(23,769)	1,892	(200,962)	19,912	8,148	(194,779)
Balances - beginning of year	99,317	26,751	467,480	74,266	51,310	719,124
Balances - end of year	\$ 75,548	\$ 28,643	\$ 266,518	\$ 94,178	\$ 59,458	\$ 524,345
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (72,351)	\$ (12,019)	\$ (132,949)	\$ (25,274)	\$ (13,000)	\$ (255,593)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	1,656	306,024	-	-	307,680
Change in assets and liabilities:						
Accounts and other payables	-	650	(7,462)	(959)	-	(7,771)
Accrued expenses	(5,031)	136	5,119	19,224	241	19,689
Net cash provided by operating activities	(77,382)	(9,577)	170,732	(7,009)	(12,759)	64,005

**CITY OF OAK PARK, MICHIGAN
STATEMENT OF CHANGES IN AGENCY FUND
ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

ESCROW FUND

	BALANCE			BALANCE
	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>JUNE 30, 2008</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 74,381	\$ 1,015,767	\$ 986,222	\$ 103,926
Investments at cost:				
US government obligations	66,526	51,086	66,526	51,086
Accounts receivable	873	4,604	5,180	297
<u>TOTAL ASSETS</u>	<u>\$ 141,780</u>	<u>\$ 1,071,457</u>	<u>\$ 1,057,928</u>	<u>\$ 155,309</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 141,780	\$ 1,728,323	\$ 1,714,794	\$ 155,309
<u>TOTAL LIABILITIES</u>	<u>\$ 141,780</u>	<u>\$ 1,728,323</u>	<u>\$ 1,714,794</u>	<u>\$ 155,309</u>

PAYROLL FUND

<u>ASSETS</u>				
Cash and cash equivalents	\$ 72,282	\$ 39,303,107	\$ 39,212,188	\$ 163,201
<u>TOTAL ASSETS</u>	<u>\$ 72,282</u>	<u>\$ 39,303,107</u>	<u>\$ 39,212,188</u>	<u>\$ 163,201</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 72,282	\$ 6,562,452	\$ 6,471,533	\$ 163,201
<u>TOTAL LIABILITIES</u>	<u>\$ 72,282</u>	<u>\$ 6,562,452</u>	<u>\$ 6,471,533</u>	<u>\$ 163,201</u>

COMBINED ESCROW AND PAYROLL FUNDS

<u>ASSETS</u>				
Cash and cash equivalents	\$ 146,663	\$ 40,318,874	\$ 40,198,410	\$ 267,127
Investments at cost:				
US government obligations	66,526	51,086	66,526	51,086
Accounts receivable	873	4,604	5,180	297
<u>TOTAL ASSETS</u>	<u>\$ 214,062</u>	<u>\$ 40,374,564</u>	<u>\$ 40,270,116</u>	<u>\$ 318,510</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 214,062	\$ 8,290,775	\$ 8,186,327	\$ 318,510
<u>TOTAL LIABILITIES</u>	<u>\$ 214,062</u>	<u>\$ 8,290,775</u>	<u>\$ 8,186,327</u>	<u>\$ 318,510</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
AGENCY FUNDS
JUNE 30, 2008**

	Payroll Fund	Escrow Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 163,201	\$ 103,926	\$ 267,127
Receivables:			
Accounts receivable	-	297	297
Investments, at cost:			
U.S. government obligations	-	51,086	51,086
Total assets	<u>\$ 163,201</u>	<u>\$ 155,309</u>	<u>\$ 318,510</u>
LIABILITIES			
Accounts payable	<u>\$ 163,201</u>	<u>\$ 155,309</u>	<u>\$ 318,510</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2008**

	<u>Economic Development Corp.</u>	<u>Brownfield Authority</u>	<u>Total Component Units</u>
ASSETS			
Cash and cash equivalents	\$ 11,781	\$ -	\$ 11,781
Total assets	<u>\$ 11,781</u>	<u>\$ -</u>	<u>\$ 11,781</u>
LIABILITIES			
Accounts payable	\$ -	\$ 205	\$ 205
NET ASSETS			
Unrestricted	11,781	(205)	11,576
Total liabilities and net assets	<u>\$ 11,781</u>	<u>\$ -</u>	<u>\$ 11,781</u>

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2008**

General revenues:

Property taxes, levied for general purposes	\$ -	\$ 99,263	\$ 99,263
Investment earnings	9	-	9
Total General Revenues	<u>9</u>	<u>99,263</u>	<u>99,272</u>

Functions/Programs

Community Development	-	(94,620)	(94,620)
Changes in Net Assets	9	4,643	4,652
Net Asset-beginning	11,772	(4,848)	6,924
Net Asset-ending	<u>\$ 11,781</u>	<u>\$ (205)</u>	<u>\$ 11,576</u>

STATISTICAL SECTION

This part of the City of Oak Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	121 - 125
<i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed.</i>	
Revenue Capacity	126 - 129
<i>These schedules contain information to help the reader access the city's most significant local revenue source, the property tax.</i>	
Debt Capacity	130 - 134
<i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	135 - 136
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.</i>	
Operating Information	137 - 139
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule I
City of Oak Park
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	<u>1999-2000 *</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Governmental Activities									
Invested in capital assets, net of related debt	\$ 7,816,900	\$ 9,103,973	\$ 11,900,617	\$ 1,165,203	\$ 3,558,851	\$ 6,932,515	\$ 5,900,897	\$ 6,375,013	\$ 11,739,781
Restricted	1,389,922	1,072,594	922,960	11,399,846	9,133,267	6,493,091	7,544,580	9,519,782	5,140,968
Unrestricted	4,913,108	4,596,973	3,228,633	4,291,274	4,746,858	5,446,259	5,129,771	3,724,361	2,463,887
Total governmental activities net assets	<u>\$ 14,119,930</u>	<u>\$ 14,773,540</u>	<u>\$ 16,052,210</u>	<u>\$ 16,856,323</u>	<u>\$ 17,438,976</u>	<u>\$ 18,871,865</u>	<u>\$ 18,575,248</u>	<u>\$ 19,619,156</u>	<u>\$ 19,344,636</u>
Business-type Activities									
Invested in capital assets, net of related debt	\$ 3,488,132	\$ 4,026,786	\$ 5,143,267	\$ 4,102,500	\$ 4,923,978	\$ 7,042,392	\$ 9,338,966	\$ 11,041,086	\$ 12,723,979
Unrestricted	4,066,911	3,545,828	2,619,440	4,606,284	4,269,224	3,381,129	3,752,044	3,467,097	2,883,239
Total business-type activities net assets	<u>\$ 7,555,043</u>	<u>\$ 7,572,614</u>	<u>\$ 7,762,707</u>	<u>\$ 8,708,784</u>	<u>\$ 9,193,202</u>	<u>\$ 10,423,521</u>	<u>\$ 13,091,010</u>	<u>\$ 14,508,183</u>	<u>\$ 15,607,218</u>
Primary Government									
Invested in capital assets, net of related debt	\$ 11,305,032	\$ 13,130,759	\$ 17,043,884	\$ 5,267,703	\$ 8,482,829	\$ 13,974,907	\$ 15,239,863	\$ 17,416,099	\$ 24,463,760
Restricted	1,389,922	1,072,594	922,960	11,399,846	9,133,267	6,493,091	7,544,580	9,519,782	5,140,968
Unrestricted	8,980,019	8,142,801	5,848,073	8,897,558	9,016,082	8,827,388	8,881,815	7,191,458	5,347,126
Total primary government net assets	<u>\$ 21,674,973</u>	<u>\$ 22,346,154</u>	<u>\$ 23,814,917</u>	<u>\$ 25,565,107</u>	<u>\$ 26,632,178</u>	<u>\$ 29,295,386</u>	<u>\$ 31,666,258</u>	<u>\$ 34,127,339</u>	<u>\$ 34,951,854</u>

* Amounts for Fiscal Year 1999-2000 are taken from pro-forma financial statements prepared in order to adopt GASB statement 34 in FY 2000-2001 and are not audited.

Schedule 2
City of Oak Park
Changes in Net Assets
Last Nine Fiscal Years

(accrual basis of accounting)

Fiscal Year

	<u>1999-2000 *</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Expenses									
Governmental Activities:									
General government	\$ 4,562,045	\$ 5,138,083	\$ 4,921,970	\$ 4,768,500	\$ 4,777,118	\$ 4,693,567	\$ 5,154,667	\$ 5,067,647	\$ 5,415,064
Judicial	1,860,688	1,925,906	2,094,887	2,064,387	1,985,825	2,049,750	2,270,554	2,268,921	2,457,418
Public safety	7,870,495	7,958,724	7,662,037	7,702,056	8,103,198	9,847,977	10,720,861	11,089,786	10,772,176
Road maintenance and repair	1,792,655	2,455,741	2,235,932	2,771,996	2,202,260	2,286,830	3,318,828	2,708,853	3,117,566
Public works	1,099,824	1,260,326	1,570,850	1,317,853	1,391,348	1,309,277	1,365,837	1,096,676	1,591,527
Health and sanitation	1,511,861	1,544,534	1,629,189	1,729,437	1,901,589	2,015,234	2,124,102	2,186,048	1,993,747
Culture and recreation	1,204,943	1,354,007	1,632,659	1,373,338	1,336,795	1,270,849	1,356,385	1,268,706	1,329,227
Library	798,004	812,544	812,756	763,799	845,802	837,813	885,081	836,669	858,674
Community development	463,217	578,039	332,721	563,495	386,063	288,244	260,461	299,539	334,654
Interest on long-term debt	1,038,962	948,582	857,960	1,034,325	893,426	752,489	707,092	1,148,474	1,116,640
Total governmental activities expenses	22,202,694	23,976,486	23,750,961	24,089,186	23,823,424	25,352,030	28,163,868	27,971,319	28,986,693
Business-type Activities:									
Water and sewer	5,163,075	5,414,326	6,019,494	7,355,360	7,489,197	7,083,210	8,039,854	7,835,161	8,061,610
Total primary government	\$ 27,365,769	\$ 29,390,812	\$ 29,770,455	\$ 31,444,546	\$ 31,312,621	\$ 32,435,240	\$ 36,203,722	\$ 35,806,480	\$ 37,048,303

Program Revenues

Governmental Activities:									
Charges for Services:									
General government	\$ 649,612	\$ 497,981	\$ 522,098	\$ 488,184	\$ 527,537	\$ 926,595	\$ 891,142	\$ 599,632	\$ 582,978
Judicial	742,638	715,630	957,082	758,468	582,471	587,217	656,836	656,578	704,560
Public safety	1,591,996	1,530,103	1,683,117	1,428,287	1,232,209	1,442,360	1,832,233	1,856,111	1,395,297
Road maintenance and repair	3,426	4,733	903	135,271	1,850	(11,584)	(12,982)	21,919	-
Public works	37,793	14,294	24,819	161,951	119,523	289,466	131,299	214,874	144,345
Health and sanitation	533,586	510,845	526,673	574,180	540,740	454,678	500,888	577,620	565,490
Culture and recreation	434,686	492,697	500,511	463,926	452,690	473,684	431,907	469,373	464,371
Library	43,619	61,672	60,558	74,983	70,360	69,421	26,410	21,521	14,175
Community development	35,369	24,277	2,356	116,868	52,907	7,510	(5,165)	(2,355)	-
Operating Grants and Contributions	2,070,391	2,247,783	1,858,664	1,973,731	2,134,836	2,009,995	2,086,065	2,080,915	1,817,794
Capital Grants and Contributions	399,138	919,659	51,940	30,100	-	-	-	-	-
Total governmental activities program revenues	6,542,254	7,019,674	6,188,721	6,205,949	5,715,123	6,249,342	6,538,633	6,496,208	5,689,010
Business-type Activities:									
Charges for Services:									
Water and sewer	5,388,672	5,218,460	6,104,667	8,112,778	7,881,527	8,213,692	10,547,749	9,034,465	8,972,129
Capital Grants and Contributions	-	6,763	-	-	-	-	-	-	-

Total primary government program revenues	\$	11,930,926	\$	12,244,897	\$	12,293,388	\$	14,318,727	\$	13,596,650	\$	14,463,034	\$	17,086,382	\$	15,530,673	\$	14,661,139
Net (expense)/revenue																		
Governmental Activities	\$	(15,660,440)	\$	(16,956,812)	\$	(17,562,240)	\$	(17,883,237)	\$	(18,108,301)	\$	(19,102,688)	\$	(21,625,235)	\$	(21,475,111)	\$	(23,297,683)
Business-type Activities		225,597		(189,103)		85,173		757,418		392,330		1,130,482		2,507,895		1,199,304		910,519
Total primary government net expense	\$	(15,434,843)	\$	(17,145,915)	\$	(17,477,067)	\$	(17,125,819)	\$	(17,715,971)	\$	(17,972,206)	\$	(19,117,340)	\$	(20,275,807)	\$	(22,387,164)
General Revenues and Other Changes in Net Assets																		
Governmental Activities:																		
Taxes																		
Property Taxes	\$	17,838,719	\$	18,102,504	\$	18,199,216	\$	18,128,805	\$	18,088,249	\$	19,774,491	\$	20,294,741	\$	20,977,326	\$	21,890,823
Franchise Taxes		393,810		431,991		455,141		336,312		424,167		453,310		460,244		518,234		560,384
Investment Earnings		512,435		715,984		236,553		272,233		228,538		357,776		623,633		1,073,459		621,956
Miscellaneous		17,811		-		-		-		-		-		-		-		19,801
Transfers	(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)	(50,000)
Total governmental activities	18,712,775		19,200,479		18,840,910		18,687,350		18,690,954		20,535,577		21,328,618		22,519,019		23,042,964	
Business-type Activities:																		
Investment Earnings		126,005		156,674		54,920		138,659		42,498		49,837		109,594		167,869		118,715
Transfers	50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000	50,000
Total business-type activities	176,005		206,674		104,920		188,659		92,498		99,837		159,594		217,869		168,715	
Total primary government	18,888,780		19,407,153		18,945,830		18,876,009		18,783,452		20,635,414		21,488,212		22,736,888		23,211,679	
Change In Net Assets																		
Governmental Activities	\$	3,052,335	\$	2,243,667	\$	1,278,670	\$	804,113	\$	582,653	\$	1,432,889	\$	(296,617)	\$	1,043,908	\$	(254,719)
Business-type Activities		401,602		17,571		190,093		946,077		484,828		1,230,319		2,667,489		1,417,173		1,079,234
Total primary government net expense	\$	3,453,937	\$	2,261,238	\$	1,468,763	\$	1,750,190	\$	1,067,481	\$	2,663,208	\$	2,370,872	\$	2,461,081	\$	824,515

* Amounts for Fiscal Year 1999-2000 are taken from pro-forma financial statements prepared in order to adopt GASB statement 34 in FY 2000-2001 and are not audited.

Schedule 3
City of Oak Park
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
General Fund										
Reserved	\$ 154,169	\$ 186,065	\$ 195,345	\$ 206,233	\$ 233,265	\$ 248,672	\$ 231,003	\$ 141,640	\$ 302,693	\$ 114,609
Unreserved	2,086,276	2,394,939	2,376,922	2,201,738	2,163,490	2,044,775	2,122,398	1,869,129	1,735,777	1,784,828
Total general fund	\$ 2,240,445	\$ 2,581,004	\$ 2,572,267	\$ 2,407,971	\$ 2,396,755	\$ 2,293,447	\$ 2,353,401	\$ 2,010,769	\$ 2,038,470	\$ 1,899,437
All Other Governmental Funds										
Reserved, reported in:										
Prepaid Expenditures	\$ 20,384	\$ 22,027	\$ 20,973	\$ 25,091	\$ 32,992	\$ 35,515	\$ 34,938	\$ 35,434	\$ 64,165	\$ 20,859
Capital projects funds	544,587	653,648	139,815	49,989	11,124,925	8,849,248	6,157,005	13,624,394	9,006,861	4,497,353
Debt service funds	676,487	736,274	932,779	872,971	274,921	282,328	334,783	371,772	493,669	643,161
Unreserved, reported in:										
Special revenue funds	2,726,716	2,539,167	2,213,520	881,058	1,296,052	1,975,681	2,455,887	2,741,468	1,258,317	1,260,199
Total all other governmental funds	3,968,174	3,951,116	3,307,087	1,829,109	12,728,890	11,142,772	8,982,613	16,773,068	10,823,012	6,421,572
Total all governmental funds	\$ 6,208,619	\$ 6,532,120	\$ 5,879,354	\$ 4,237,080	\$ 15,125,645	\$ 13,436,219	\$ 11,336,014	\$ 18,783,837	\$ 12,861,482	\$ 8,321,009

Schedule 4
City of Oak Park
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Revenues										
Property taxes	\$12,552,798	\$12,774,154	\$13,103,087	\$13,402,139	\$13,581,507	\$14,003,176	\$15,772,412	\$15,943,238	\$16,908,767	\$17,767,651
Special assessments	31,480	364,078	434,092	20,238	255,553	33,034	192,924	47,144	138,808	138,295
Licenses and permits	441,340	404,363	376,984	323,316	289,526	342,338	394,236	416,152	397,567	332,852
Intergovernmental	6,487,323	6,972,817	7,657,650	6,680,862	6,505,693	6,186,128	5,919,137	5,943,230	5,923,017	5,967,334
Charges for services	1,252,900	1,313,663	1,303,315	1,445,393	1,410,403	1,248,566	1,182,732	1,207,837	1,274,814	1,296,719
Fines and forfeitures	1,801,026	1,855,030	1,798,745	1,979,089	1,717,428	1,477,959	1,563,614	2,008,853	2,212,430	1,983,156
Investment earnings	608,664	602,902	796,698	372,423	303,428	197,155	364,088	637,781	1,038,284	691,790
Other	562,323	674,716	644,282	726,060	630,064	930,710	1,360,528	1,378,951	941,289	848,662
Total revenues	<u>23,717,854</u>	<u>24,961,723</u>	<u>26,114,853</u>	<u>24,949,520</u>	<u>24,693,602</u>	<u>24,419,066</u>	<u>26,749,671</u>	<u>27,583,186</u>	<u>28,834,976</u>	<u>29,026,459</u>
Expenditures										
Judicial	1,654,765	1,807,921	1,827,591	2,035,751	1,990,428	1,827,938	1,825,187	2,034,224	2,124,990	2,227,873
General government	3,952,318	4,052,020	4,523,698	4,198,722	4,110,182	4,088,575	3,909,447	4,380,187	4,346,347	4,493,384
Public safety	7,485,622	7,595,002	7,348,466	7,240,699	7,255,487	7,420,205	9,136,958	10,051,563	10,432,718	9,536,108
Road maintenance and repair	1,583,170	1,769,127	1,254,798	1,015,522	1,362,110	905,029	982,314	1,821,591	1,163,340	1,415,162
Public works	2,376,901	2,485,987	2,592,656	2,886,642	2,758,699	2,897,643	3,010,974	3,126,486	2,960,609	2,863,533
Recreation and culture	1,131,518	1,153,574	1,240,268	1,388,372	1,257,417	1,199,297	1,129,270	1,210,523	1,155,419	1,117,615
Library	711,269	765,538	757,635	767,582	688,841	765,011	754,336	792,078	775,018	727,765
Community enrichment and development	306,293	419,736	520,634	277,227	491,329	312,309	211,270	187,818	247,852	200,159
Non-departmental	1,119,975	1,340,021	1,542,989	1,691,998	1,737,075	1,776,992	2,151,016	2,020,698	1,649,454	2,970,326
Capital outlay	578,578	523,283	2,526,916	2,428,171	725,395	2,372,728	3,091,615	3,072,493	7,123,336	5,178,367
Debt Service:										
Principal	1,517,630	1,637,065	1,633,385	1,753,147	1,890,000	1,600,000	1,845,000	1,875,000	1,580,000	1,670,000
Interest	1,123,707	1,038,962	948,582	857,960	1,034,325	892,765	752,489	707,092	1,148,248	1,116,640
Total expenditures	<u>23,541,746</u>	<u>24,588,236</u>	<u>26,717,618</u>	<u>26,541,793</u>	<u>25,301,288</u>	<u>26,058,492</u>	<u>28,799,876</u>	<u>31,279,753</u>	<u>34,707,331</u>	<u>33,516,932</u>
Excess of revenues over (under) expenditures	<u>176,108</u>	<u>373,487</u>	<u>(602,765)</u>	<u>(1,592,273)</u>	<u>(607,686)</u>	<u>(1,639,426)</u>	<u>(2,050,205)</u>	<u>(3,696,567)</u>	<u>(5,872,355)</u>	<u>(4,490,473)</u>
Other Financing Sources (Uses)										
Proceeds from sale of bonds	-	-	-	-	11,500,000	-	-	10,890,965	-	-
Refunding bonds issued	-	-	-	-	11,875,000	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(11,828,750)	-	-	-	-	-
Proceeds from capital lease	97,895	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	303,425	-	-
Transfers in	2,620,298	2,110,567	2,191,650	1,963,113	2,541,886	2,153,141	2,036,085	2,267,989	2,401,870	2,430,771
Transfer out	<u>(2,670,298)</u>	<u>(2,160,567)</u>	<u>(2,241,650)</u>	<u>(2,013,113)</u>	<u>(2,591,886)</u>	<u>(2,203,141)</u>	<u>(2,086,085)</u>	<u>(2,317,989)</u>	<u>(2,451,870)</u>	<u>(2,480,771)</u>
Total other financing sources (uses)	<u>47,895</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>11,496,250</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>11,144,390</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net change in fund balances	<u>\$ 224,003</u>	<u>\$ 323,487</u>	<u>\$ (652,765)</u>	<u>\$ (1,642,273)</u>	<u>\$ 10,888,564</u>	<u>\$ (1,689,426)</u>	<u>\$ (2,100,205)</u>	<u>\$ 7,447,823</u>	<u>\$ (5,922,355)</u>	<u>\$ (4,540,473)</u>
Debt service as a percentage of noncapital expenditures	11.50%	11.12%	10.67%	10.83%	11.90%	10.52%	10.10%	9.15%	9.89%	9.83%

Schedule 5
City of Oak Park
Taxable Value and Actual Value of Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property			Personal Property	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property					
1999	\$308,859,400	\$62,347,890	\$41,902,950	\$46,516,550	\$459,626,790	26.4886	\$ 1,070,438,600	42.94%
2000	323,219,100	63,037,130	43,390,280	48,363,200	478,009,710	26.0212	1,173,718,360	40.73%
2001	341,642,800	64,496,240	46,324,600	52,940,090	505,403,730	25.1873	1,305,707,020	38.71%
2002	365,121,240	66,470,730	48,298,930	52,245,480	532,136,380	24.6245	1,424,698,940	37.35%
2003	388,554,740	69,031,130	50,180,580	51,711,060	559,477,510	23.6344	1,521,228,600	36.78%
2004	408,102,490	73,135,960	51,075,440	46,983,030	579,296,920	23.5377	1,612,219,660	35.93%
2005	431,289,070	90,517,620	52,614,020	49,005,590	623,426,300	24.1194	1,745,673,380	35.71%
2006	454,457,020	106,703,397	57,524,360	46,571,380	665,256,157	23.7201	1,835,567,900	36.24%
2007	480,667,540	105,533,730	59,565,190	44,318,580	690,085,040	23.8150	1,862,110,440	37.06%
2008	506,292,480	108,633,050	63,444,620	43,942,580	722,312,730	23.7288	1,904,504,560	37.93%

Source: City of Oak Park Assessing Department.

Note: Tax rates are per \$1,000 of taxable value.

Schedule 6
City of Oak Park
Direct And Overlapping Property Tax Rates
(Per \$1,000 of Taxable Value)
Last Ten Fiscal Years

Fiscal Year	Operating Millage	Library	Debt Service	Drains-at Large	Solid Waste	Total Direct	School Districts			Community College	County	Total Rates for Residents Residing In			
							Oak Park	Ferdale	Berkley			Oak Park School District	Ferdale School District	Berkley School District	
1998: Homestead (1)	18.2475	0.0000	5.3010	0.2086	2.7315	26.4886	14.5329	13.2197	10.5937	1.6500	7.1180	49.8095	48.4763	45.8503	
1998: Non-Homestead						26.4886	32.7329	31.3997	28.7737	1.6500	7.1180	67.9895	66.6563	64.0303	
1999: Homestead (1)	17.9866	0.0000	5.1605	0.1812	2.6929	26.0212	14.5410	13.2189	10.0576	1.6300	7.0792	49.2714	47.9493	44.7880	
1999: Non-Homestead						26.0212	32.7100	31.3989	28.2376	1.6300	7.0792	67.4404	66.1293	62.9680	
2000: Homestead (1)	17.6590	0.0000	4.8795	0.0000	2.6488	25.1873	14.5085	13.2165	10.0552	1.6109	7.0466	48.3533	47.0613	43.9000	
2000: Non-Homestead						25.1873	32.6666	31.3965	28.2352	1.6109	7.0466	66.5114	65.2413	62.0800	
2001: Homestead (1)	17.3727	0.0000	4.6460	0.0000	2.6058	24.6245	14.4444	13.2300	10.5737	1.5952	8.4171	49.0812	47.8668	45.2105	
2001: Non-Homestead						24.6245	32.5126	31.4100	28.7537	1.5952	8.4171	67.1494	66.0468	63.3905	
2002: Homestead (1)	17.0843	0.0000	3.9876	0.0000	2.5625	23.6344	14.4173	13.2328	10.5765	1.6090	8.6747	48.3354	47.1509	44.4946	
2002: Non-Homestead						23.6344	32.5754	31.4128	28.7565	1.6090	8.6747	66.4935	65.3309	62.6746	
2003: Homestead (1)	16.7443	0.0000	4.2819	0.0000	2.5115	23.5377	12.5350	12.2223	9.5660	1.5983	8.6462	46.3172	46.0045	43.3482	
2003: Non-Homestead						23.5377	30.6184	30.4023	27.7460	1.5983	8.6462	64.4006	64.1845	61.5282	
2004: Homestead (1)	16.4981	1.0000	4.1468	0.0000	2.4745	24.1194	13.4729	13.4732	11.5744	1.5889	8.6227	47.8039	47.8042	45.9054	
2004: Non-Homestead						24.1194	31.6529	31.6532	29.7544	1.5889	8.6227	65.9839	65.9842	64.0854	
2005: Homestead (1)	16.3777	0.9927	3.8933	0.0000	2.4564	23.7201	13.4688	13.4691	10.9509	1.5844	8.6101	47.3834	47.3837	44.8655	
2005: Non-Homestead						23.7201	31.6488	31.6491	29.1309	1.5844	8.6101	65.5634	65.5637	63.0455	
2006: Homestead (1)	16.3613	0.9917	4.0081	0.0000	2.4539	23.8150	13.3585	13.4699	10.9416	1.5844	8.6051	47.3630	47.4744	44.9461	
2006: Non-Homestead						23.8150	31.5385	31.6499	29.1216	1.5844	8.6051	65.5430	65.6544	63.1261	
2007: Homestead (1)	16.3563	0.9914	3.9280	0.0000	2.4531	23.7288	13.4388	13.4691	10.7892	1.5844	8.6051	47.3571	47.3874	44.7075	
2007: Non-Homestead						23.7288	31.6188	31.6491	28.9692	1.5844	8.6051	65.5371	65.5674	62.8875	

(1) The State of Michigan passed a Property Tax Reform measure in 1994 which reduced property taxes for property owners who reside at the property (homestead). This reform created a two tiered tax system which accounts for the presentation above.

Schedule 7
City of Oak Park
Principal Property Tax Payers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2008</u>			<u>1999</u>		
		<u>Taxable</u> <u>Valuation</u>	<u>Rank</u>	<u>Percentage of</u> <u>Total Taxable</u> <u>Valuation</u>	<u>Taxable</u> <u>Valuation</u>	<u>Rank</u>	<u>Percentage of</u> <u>Total Taxable</u> <u>Valuation</u>
Detroit Square Properties, LLC	Apartment Complex	\$ 10,183,200	1	1.40%			
Jewish Federation Apts.	Apartment Complex	8,482,300	2	1.16%	9,627,100	1	1.62%
Lincoln Towers Apts, LLP	Apartment Complex	6,543,800	3	0.90%			
Parkwoods Shopping Plaza, LLC	Shopping Center	6,326,500	4	0.87%	3,975,300	6	0.67%
Village Green Management Co.	Apartment Complex	6,203,690	5	0.85%	4,778,950	4	0.81%
Sub-total		<u>37,739,490</u>		<u>5.18%</u>	<u>18,381,350</u>		<u>3.10%</u>
Greenfield Lincoln Investments #2, LLC	Commercial Lease	5,761,500	6	0.79%			
Oak Park Manor MI, LLC	Apartment Complex	4,732,330	7	0.65%			
Detroit Edison Co.	Utility	3,977,580	8	0.55%	5,187,200	3	0.87%
Oakmont Properties	Industrial Lease	3,934,010	9	0.54%	3,089,000	10	0.52%
Symtec Mfg. Technologies/Paramount Boring	Manufacturing	3,559,300	10	0.49%			
Sub-total		<u>21,964,720</u>		<u>3.02%</u>	<u>8,276,200</u>		<u>1.39%</u>
Lincoln Center	Shopping Center	3,341,260	11	0.46%	4,443,950	5	0.75%
CBS, Inc.	Television Network	3,300,950	12	0.45%			
Northend Properties, LLC	Industrial Lease	3,228,730	13	0.44%			
C & N Building, LLC	Shopping Center	2,699,100	14	0.37%			
Oak Park Partners, LLC	Apartment Complex	2,569,300	15	0.35%			
Sub-total		<u>15,139,340</u>		<u>2.07%</u>	<u>4,443,950</u>		<u>0.75%</u>
Public Storage / PS Euro Part X III Ltd.	Storage	2,560,030	16	0.35%			
Eaton Steel / Goodman Bldg Co.	Steel Warehouse	2,533,030	17	0.35%	1,698,200	17	0.29%
Kmart Corporation	Discount Store	2,531,320	18	0.35%			
Oak Park Metro, LLC	Storage	2,525,400	19	0.35%			
Raine Ventures, LLC	Manufacturing	2,176,200	20	0.30%			
GTN Industries, Inc.	Studio				5,561,850	2	0.94%
Cinncinnati Milacron/Valenite	Manufacturing				3,777,450	7	0.64%
Home Properties of New York	Apartment Complex				3,739,500	8	0.63%
Reality Portfolio Corp.	Shopping Center				3,153,700	9	0.53%
Paramount Boring	Manufacturing				2,763,250	11	0.47%
Consumers Energy Co.	Utility				2,249,000	12	0.38%
Lincoln Briar Apartments	Apartment Complex				2,062,700	13	0.35%
Stratford Associates	Apartment Complex				1,893,400	14	0.32%
Auto Metal Craft, Inc.	Manufacturer				1,830,000	15	0.31%
P & P Real estate Investment	Shopping Center				1,829,200	16	0.31%
Bar Processing Corp. of Michigan	Manufacturer				1,675,600	18	0.28%
Wickman Corp.	Manufacturer				1,647,950	19	0.28%
Lamina	Manufacturer				1,620,050	20	0.27%
Sub-total		<u>12,325,980</u>		<u>1.70%</u>	<u>35,501,850</u>		<u>6.00%</u>
GrandTotal		<u>\$87,169,530</u>		<u>11.97%</u>	<u>\$66,603,350</u>		<u>11.24%</u>

Schedule 8
City of Oak Park
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ending <u>June 30</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected within the <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
1999	\$12,753,551	\$12,622,098	98.97%	\$ 112,450	\$12,734,548	99.85%
2000	12,941,243	12,822,558	99.08%	82,214	12,904,772	99.72%
2001	13,178,024	13,033,664	98.90%	125,042	13,158,706	99.85%
2002	13,575,518	13,385,035	98.60%	95,246	13,480,281	99.30%
2003	13,562,840	13,353,379	98.46%	110,803	13,464,182	99.27%
2004	14,081,644	13,894,283	98.67%	93,827	13,988,110	99.34%
2005	15,670,688	15,439,161	98.52%	141,982	15,581,143	99.43%
2006	16,627,835	15,269,916	91.83%	142,811	15,412,727	92.69%
2007	17,357,852	15,654,630	90.19%	129,735	15,784,365	90.94%
2008	18,170,268	16,349,901	89.98%	136,390	16,486,291	90.73%

Schedule 9
City of Oak Park
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending <u>June 30</u>	Governmental Activities		Business-Type Activities		Total Primary <u>Government</u>	Percentage of Personal <u>Income</u>	Per <u>Capita</u>
	General <u>Obligation Bonds</u>	Capital <u>Lease</u>	Water <u>Revenue Bonds</u>				
1999	\$ 18,590,000	\$ 204,446	\$ 3,861,051		22,655,497	0.2149%	\$ 760
2000	17,095,000	57,053	3,714,867		20,866,920	0.2334%	700
2001	15,495,000	23,668	6,747,400		22,266,068	0.2187%	747
2002	13,765,000	0	19,058,594		32,823,594	0.1484%	1,102
2003	23,375,000	0	13,074,510		36,449,510	0.1336%	1,181
2004	21,775,000	0	16,475,815		38,250,815	0.1273%	1,181
2005	19,930,000	0	17,326,313		37,256,313	0.1307%	1,150
2006	29,055,000	0	16,921,387		45,976,387	0.1059%	1,419
2007	27,475,000	0	16,091,554		43,566,554	0.1118%	1,345
2008	25,805,000	0	15,219,483		41,024,483	0.1187%	1,266

Schedule 10
City of Oak Park
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending <u>June 30</u>	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Funds</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property</u>	Per <u>Capita</u>
1999	\$18,590,000	\$ 676,487	\$ 17,913,513	3.90%	\$ 601.27
2000	17,095,000	736,274	16,358,726	3.42%	549.08
2001	15,495,000	932,779	14,562,221	2.88%	488.78
2002	13,765,000	873,971	12,891,029	2.42%	432.69
2003	23,375,000	274,921	23,100,079	4.13%	748.42
2004	21,775,000	282,328	21,492,672	3.71%	663.37
2005	19,930,000	334,783	19,595,217	3.14%	604.81
2006	29,055,000	371,772	28,683,228	4.31%	885.31
2007	27,475,000	493,669	26,981,331	3.91%	832.78
2008	25,805,000	643,161	25,161,839	3.48%	776.62

Schedule 11
City of Oak Park
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Debt Applicable To City *</u>	<u>Estimated Share Of Overlapping Debt</u>
City of Oak Park	\$25,805,000	100.00%	\$25,805,000
Berkley School District	30,555,000	15.10%	4,613,805
Ferndale School District	45,805,514	15.78%	7,228,110
Oak Park School District	25,075,000	72.96%	18,294,720
Oakland County at Large	109,962,280	1.12%	1,231,578
Oakland Intermediate School District	53,730,000	1.12%	601,776
Oakland Community College	<u>7,965,000</u>	<u>1.12%</u>	<u>89,208</u>
	<u>\$298,897,794</u>		<u>\$57,864,197</u>

** Amounts supplied by Municipal Advisory Council of Michigan.*

Schedule 12
City of Oak Park
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$58,685,918	\$65,285,351	\$71,474,838	\$76,062,450	\$80,611,283	\$87,283,669	\$91,778,395	\$93,105,522	\$95,225,228	\$90,844,906
Total net debt applicable to limit	<u>18,117,959</u>	<u>16,358,726</u>	<u>14,562,221</u>	<u>12,891,029</u>	<u>23,100,079</u>	<u>21,492,672</u>	<u>19,595,217</u>	<u>28,683,228</u>	<u>26,981,331</u>	<u>25,161,839</u>
Legal debt margin	<u>\$40,567,959</u>	<u>\$48,926,625</u>	<u>\$56,912,617</u>	<u>\$63,171,421</u>	<u>\$57,511,204</u>	<u>\$65,790,997</u>	<u>\$72,183,178</u>	<u>\$64,422,294</u>	<u>\$68,243,897</u>	<u>\$ 65,683,067</u>
Total net debt applicable to the limit as a percentage of debt limit	30.87%	25.06%	20.37%	16.95%	28.66%	24.62%	21.35%	30.81%	28.33%	27.70%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value	<u>\$908,449,060</u>
Legal Debt Limit (10% of Assessed Value)	\$90,844,906
Gross Indebtedness	\$25,805,000
Less: Amount Available In Debt Service Fund	<u>643,161</u>
Net Bonded Debt	<u>25,161,839</u>
Legal Debt Margin	<u>\$65,683,067</u>
Net Bonded Debt as a Percentage of Assessed Value	2.77%

Schedule 13
City of Oak Park
Revenue Bond Coverage

Fiscal Year Ending June 30	Gross Revenue	Expenses, Net of Depreciation and Interest	Last Ten Fiscal Years				Debt Service Coverage
			Net Revenue Available for Debt Service	Total Debt Principal	Service Requirements Interest	Total	
1999	\$5,535,565	\$ 4,442,613	1,092,952	\$ 150,000	\$ 307,183	\$ 457,183	2.39
2000	5,388,672	4,659,722	728,950	150,000	298,888	448,888	1.62
2001	5,431,897	4,863,072	568,825	175,000	314,098	489,098	1.16
2002	6,209,587	5,372,679	836,908	200,000	391,560	591,560	1.41
2003	8,301,437	6,574,923	1,726,514	314,480	500,068	814,548	2.12
2004	7,974,025	6,641,542	1,332,483	469,897	581,348	1,051,245	1.27
2005	8,213,692	6,215,874	1,997,818	863,589	633,479	1,497,068	1.33
2006	10,547,749	7,255,581	3,292,168	940,749	528,762	1,469,511	2.24
2007	9,034,465	7,072,472	1,961,993	973,374	494,477	1,467,851	1.34
2008	8,972,129	7,302,057	1,670,072	1,027,558	463,129	1,490,687	1.12

Schedule 14
City of Oak Park
Demographic and Economic Statistics
Last Calendar Fiscal Years

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
1999	30,462	\$ 36,090	\$ 21,677	N/A	2.6%
2000	29,793	48,697	21,677	34.6	4.6%
2001	29,793	48,697	21,677	34.6	5.5%
2002	29,793	48,697	21,677	34.6	6.1%
2003	30,865	48,697	21,677	34.6	5.6%
2004	32,399	48,697	21,677	34.6	7.7%
2005	32,399	48,697	21,677	34.6	7.0%
2006	32,399	48,697	21,677	34.6	7.0%
2007	32,399	48,697	21,677	34.6	7.9%
2008	32,399	48,697	21,677	34.6	10.0%

Schedule 15
City of Oak Park
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oak Park School District	485	1	2.81%	450	1	2.94%
City of Oak Park	231	2	1.34%	265	2	1.73%
Jewish Federation Apts.	130	3	0.75%	121	3	0.79%
Detroit Square Properties	105	4	0.61%	0		0.00%
Lincoln Towers Apts, LLP	99	5	0.57%	111	4	0.73%
Sub-total	<u>1,050</u>		<u>6.08%</u>	<u>947</u>		<u>6.19%</u>
Detroit Edison Co.	98	6	0.57%	110	5	0.72%
Parkwoods Shopping Plaza	98	7	0.57%	-		0.00%
Huntington Gardens Village Green Management	97	8	0.56%	109	6	0.99%
Symtec Manufacturing	96	9	0.56%	100	7	0.83%
CBS, Inc.	95	10	0.55%	-		0.00%
Sub-total	<u>484</u>		<u>2.81%</u>	<u>319</u>		<u>2.54%</u>
Greenfield Associates				94	8	0.61%
Thyssen Metal				93	9	0.61%
Startford Associates				92	10	0.60%
DBA Jorgenson Alloy Steel				91	16	0.59%
Koepplingers				90	17	0.59%
Tishken Products				89	18	0.58%
Hartman Tyner				88	19	0.58%
General Die Cast				87	20	0.57%
Sub-total	<u>0</u>		<u>0.00%</u>	<u>724</u>		<u>4.73%</u>
GrandTotal	<u>1,534</u>		<u>8.89%</u>	<u>1,990</u>		<u>13.46%</u>

Schedule 16
City of Oak Park
Full-time Equivalent City Government Employees by Department/Union Group

Last Ten Fiscal Years

<u>Department/Union</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Full Time</u>										
<u>General Government</u>										
Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Information Technology	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
City Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prosecuting Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Elections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance & Administrative Services	18.00	18.00	18.00	18.00	18.00	17.00	16.00	17.00	16.00	17.00
Technical & Planning Services	18.00	18.00	17.00	17.00	17.00	16.00	16.00	17.00	17.00	16.00
Public Information	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Subtotal General Government	54.00	54.00	55.00	55.00	54.00	51.00	50.00	52.00	51.00	50.00
Public Safety	82.00	83.00	84.00	85.00	83.00	78.00	78.00	79.00	79.00	78.00
Public Works	30.00	30.00	30.00	30.00	30.00	28.00	28.00	27.00	27.00	27.00
Recreation	9.50	9.50	11.00	12.00	12.00	11.00	9.00	8.00	8.00	7.00
Library	8.50	8.50	8.00	8.00	8.00	8.00	8.00	8.00	6.00	6.00
Community Services	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00
District Court 45-B / Probation	27.00	27.00	27.00	27.00	26.00	26.00	26.00	26.00	28.00	27.00
Sub-Total Full Time	213.00	214.00	217.00	219.00	215.00	202.00	199.00	200.00	199.00	195.00
<u>PART TIME</u>										
Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Manager	0.30	0.30	0.30	0.30	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Attorney	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Prosecuting Attorney	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Elections	0.94	0.94	0.94	0.94	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Finance & Administrative Services	1.30	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00
Technical & Planning Services	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Public Information	1.38	1.38	0.38	0.38	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal General Government	5.42	5.62	5.12	5.12	3.00	2.00	1.50	1.50	1.50	1.50
Public Safety	8.55	7.05	6.00	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Public Works	6.03	6.03	6.03	6.03	6.03	2.42	2.42	2.42	2.42	3.17
Recreation	26.00	26.00	22.10	22.10	22.10	21.30	21.30	20.40	20.40	20.40
Library	6.05	6.05	6.05	7.65	7.65	3.65	3.65	3.65	3.65	3.65
Community Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
District Court 45-B / Probation	2.90	2.20	2.20	2.20	2.90	1.90	1.90	1.90	1.60	2.40
Sub-Total Part Time	54.95	52.95	47.50	48.35	46.93	36.52	36.02	35.12	34.82	36.37
TOTAL FULL TIME EQUIVALENTS	267.95	266.95	264.50	267.35	261.93	238.52	235.02	235.12	233.82	231.37

The amounts presented under Part Time workers represent Full Time Equivalents and not actual positions. Full Time Equivalents equalizes part time hours to that of a full time worker in a like position. For example a part time worker who works 30 hours in a office that normally works 40 hours would be recorded at .75 FTE (30 hours / 40 hours = .75 FTE).

FULL TIME PERSONNEL BY SALARY CLASSIFICATION

Legislative	5	5	5	5	5	5	5	5	5	5
Exempt	11	11	11	11	12	11	11	11	11	11
Supervisory	19	19	20	20	15	13	13	15	15	15
Administrative	14	15	17	17	8	6	5	5	5	5
AFSCME	68	68	68	70	74	71	69	66	63	61
POAM	55	55	55	55	55	50	50	52	52	51
COAM	14	14	14	14	14	14	14	14	14	14
Dispatch	0	0	0	0	6	6	6	6	6	6
District Court 45-B	27	27	27	27	26	26	26	26	28	27
	213	214	217	219	215	202	199	200	199	195

Schedule 17
City of Oak Park
Operating Indicators by Function/Department
Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City Manager										
Number of Complaints	66	68	72	112	164	202	130	167	160	143
Average Days to Complete	9.13	8.10	8.30	8.30	4.60	4.60	3.50	4.40	5.00	5.50
Public Safety										
Hazardous Violations	6,006	5,753	5,201	5,370	4,586	2,731	2,563	4,726	6,178	5,423
Total Violations	16,506	17,735	15,599	15,380	13,844	9,168	8,190	13,241	15,716	14,837
EMS Requests	1,378	1,724	1,670	1,724	1,987	2,067	2,237	2,521	2,491	2,441
Traffic Crashes	N/A	1,446	1,380	1,446	1,225	1,187	1,134	1,091	908	923
Technical & Planning Services										
Number of Building Permits	896	929	905	872	938	710	814	811	716	624
Value of Building Permits	\$9,742,664	\$20,200,733	\$7,086,481	\$12,716,735	\$9,101,942	\$6,515,615	\$10,711,218	\$9,930,436	\$9,075,580	\$8,515,609
Library										
Residents with Library Cards	15,473	15,723	15,426	15,009	15,110	14,382	15,311	17,234	19,127	19,127
Items Available	102,528	88,287	90,538	94,380	97,605	100,971	103,500	102,893	105,302	105,302
Health and Sanitation										
Tons of Solid Waste Recycled	908.74	996.50	1,201.00	995.00	997.00	988.00	940.12	863.00	771.00	777.00
Water System										
Percent of Line Loss	9.73%	11.34%	11.75%	11.75%	9.61%	9.64%	5.11%	10.70%	9.55%	9.48%

Schedule 18
City of Oak Park
Capital Asset Statistics by Function/Department
Last Ten Fiscal Years

<u>Department</u>	<u>Fiscal Year</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City Manager										
Vehicles Assigned	2	2	2	2	2	1	1	2	3	2
Public Safety										
Vehicles Assigned	33	33	33	33	33	33	33	35	35	40
Public Works										
Vehicles Assigned	33	33	33	33	33	33	33	40	40	48
Number of Buildings	5	5	5	5	5	5	5	5	5	4
Road Maintenance and Repair										
Miles of Major Streets	20.72	20.72	20.72	20.72	20.72	20.72	20.72	20.72	20.72	20.72
Miles of Local Streets	65.33	65.33	65.33	65.33	65.33	65.33	65.33	65.33	65.33	65.33
Water & Sewer System										
Miles of Water Mains	115	115	115	115	115	115	115	115	115	115
Miles of Sewers	80.64	80.64	80.64	80.64	80.64	80.64	80.64	80.64	80.64	80.64
Recreation										
Swimming Pool	1	1	1	1	1	1	1	1	1	1
City Parks	10	10	10	10	10	10	10	10	10	10
Park Acreage	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8